



Essex Pension Fund

**Uncertified  
Annual Report  
&  
Accounts  
2022/2023**

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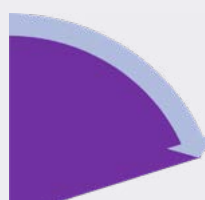
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# Chairman Foreword

*It is my great pleasure, as Chairman of the Essex Pension Fund Strategy Board (PSB)<sup>1</sup> and the Investment Steering Committee (ISC)<sup>2</sup> to introduce the Essex Pension Fund Report and Accounts for 2022/23.*

To start with some context, by March 2023, the Fund was looking after the pensions of 181,267 Scheme Members, at the triennial revaluation date of 2022 the Fund was 102% funded and at March 2023 had a value of £9.669 billion. I am extremely proud to also announce the Fund was recognised by industry peers winning two prestigious awards: LAPF Investment Strategy of the Year Award and Defined Benefit Scheme of the Year Award.



**Governance** - We have continued this year with excellent attendance at our Governance Board and Committee meetings. We also undertake regular training in line with our Board/Committee Knowledge and Skills Strategy. We have all been working through a two-year training plan with further adoption of the LGPS Online Learning Academy (LOLA). Fund Officers and our Advisers work hard to deliver the most up-to-date and relevant training sessions including Responsible Investment (RI), Taskforce for Climate-related Financial Disclosures (TCFD) and the Fund's digital ambition for the future. I would like to thank all my fellow Board and Committee Members for their dedication and commitment, including those from outside Essex County Council who bring a valuable external perspective to the Fund. I would also like to extend my personal gratitude to Councillor Colin Riley, District/Borough and Council representative who, after many years of dedicated service on the Board, stood down from his Borough Council role in May 2023. We look forward to the Essex Leaders appointing an equally committed councillor to succeed Councillor Riley.

Once again, the Fund delivered on all forty-seven Business Plan objectives for the year within the five areas of Governance, Funding, Investments, Administration and Communications – all within budget.

Despite some frustrations during the year with delays to consultations on the cost cap mechanism, to the McCloud Remedy and Goodwin Judgement along with pooling guidance, we have continued to strive to give the very best level of service to our stakeholders and invest responsibly to achieve the highest returns so that we can fulfil our core objectives of paying current and future benefits to our Scheme Members whilst keeping Employer contributions stable.

1 The PSB is made up of eleven Members: seven Councillor Members of Essex County Council; one Councillor Member representing Borough, City and District Councils in Essex; one Councillor Member representing Southend-on-Sea City and Thurrock Unitary Councils; one Member representing other Employing Bodies; and one Member representing Scheme Members.

2 The ISC is made of nine Members: seven Councillor Members of Essex County Council who sit on the PSB; and two non-voting Members who also sit on the PSB; one representing Essex Borough, City and District Councils and one representing Scheme Members.



For more than a decade, internal audits have resulted in the highest level of assurance and for a fifth year in a row there were no recommendations made for improvement, a great endorsement of the quality of work of the Fund's team.



**Funding** - This year saw the outcome of the Actuarial Triennial Valuation which assessed the smoothed asset value of the Fund as at 31 March 2022 to be £8.100 billion – a small surplus of 102% compared to 97% funded at the previous Triennial Valuation. For the first time, we are delighted to say that we are in a position of being fully funded. Our recent experience of market volatility led us to increase the stability reserve (introduced following the 2019 Valuation) to 15% in anticipation of lower future expected returns, higher than expected inflation and to reflect increased prudence – and give employers stability of contributions. Following consultation with our Employers, our Funding Strategy Statement with new contribution rates was published alongside the Actuarial Valuation report by the deadline of 31 March 2023. In addition, Fund Officers are undertaking more frequent employer risk analysis to flag and address issues early. An update is provided to the Board at each meeting.

**Investments** - The Fund is firmly committed to responsible investment and achieving net zero carbon emissions by 2050, putting this ambition at the heart of our investment strategy and expectations of our investment managers. During the year, we completed all the workstreams in our Responsible Investment project plan. Most notably, I reported last year that we were working on our Financial Reporting Council (FRC) Stewardship Code submission and can proudly confirm that we became a signatory, one of only nine new UK pension fund submissions to be successful. Achieving signatory status is not a given with very few LGPS funds being successful – and even fewer on their first submission.



In an exciting and innovative initiative, we also partnered with our Institutional Investment Consultants, Hymans Robertson and UBS Asset Management to launch the UBS Life Global Equity Sustainable Transition Fund – available to the wider UK institutional pensions market – to invest in companies believed to be best-placed for the transition to a low-carbon economy and with better sustainability characteristics than the FTSE Developed Index benchmark. We committed £1.6 billion to this fund and a further £900 million to the low-carbon version of the RAFI fund. We also made a £100 million anchor commitment to the Stafford Carbon Offset Opportunity Fund, expanding our global timberland portfolio. As a result, our timber portfolio is now equivalent to 816 km<sup>2</sup> which is able to sequester the equivalent carbon emitted by more than 420,000 cars each year. Such developments have seen our investment in sustainable timber and renewable energy increase from



9.7% to 13.8% over the year and I am delighted to be able to report that we now have no direct investment in fossil fuels.



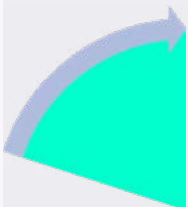
**ACCESS** – As in previous years, I have continued to represent the Fund’s interest on the ACCESS Joint Committee (AJC) and support the AJC as its Vice-Chairman. Along with ten other Funds in the ACCESS pool, we are committed to the pooling agenda and to date have saved over £26m on investment costs since

2015. During the year we switched the Fund’s 5.5% active bond mandate to an ACCESS Pool solution. As a result, around 64% of our assets as at March 2023 now come under the ACCESS pool umbrella. During 2023/24 we expect that all the Fund’s liquid assets will be pooled.

**Administration** - The Fund has continued its implementation of monthly returns - containing 70 pieces of data for each employee - from each of our 770 Employers who participate in the pension scheme. This has enabled the team to process Annual Benefit Statements (ABS) to 131,000 active and deferred members more quickly and more accurately. The Board continues to support the digital ambition of the Fund which has resulted in 36,500 Scheme Members now having online access to their pension, empowering them to change relevant details and make their own calculations around retirement choices.



**Communications** – The Board signed off a publication titled the Essex Pension Fund Advisory Board (PAB) Pamphlet, describing the role and purpose of the PAB, which has been used to assist in recruitment activities. As a result of its success, PAB Members developed their own PSB and ISC Pamphlets. All have been published on the Fund’s website in the hope it attracts more Councillors, Employers and Scheme Members to be interested in becoming a Board, Committee or PAB Member in the future.



*In closing I would like to thank Jody Evans, the Director, and all the dedicated Officers within the Fund, who support all aspects of the Fund’s work and us as Board Members, for another successful year. I would also like to extend my thanks to my fellow Board, Committee and PAB Members for their continued support and effort during the year.*

**Cllr Susan Barker**

Chairman of the Essex Pension Fund Strategy Board  
& Investment Steering Committee  
Vice Chairman of the ACCESS Joint Committee

## Officer Introduction

*“As Director of the Essex Pension Fund, I am pleased to join the Chairman in presenting the Report and Accounts for 2022/23.*

*Last year, I reported that I had begun a review of the management structure of the Fund. I am delighted to say that Phase 1 of the review is now complete with my four “Head of” colleagues now in post, ensuring that we are best positioned to continue to deliver on our Three-Year Business Plan and long-term vision.*

*The Fund continues to grow, both in terms of Scheme Members and Employers, delivering a full range of services to over 181,000 Scheme Members and more than 770 Employers.*

*With the culmination of another highly successful year, we were thrilled to win two highly prestigious awards: LAMP Investment Strategy of the Year at the LAMP Investment Awards 2022 – celebrating the best in the LGPS, in recognition of our commitment to achieving our Responsible Investment (RI) and net zero carbon emissions aspirations; and Defined Benefit Scheme of the Year 2023 at the Pension Age Awards – an award which is open to both public and private sector pension schemes. I was very proud that Essex Pension Fund was the only public sector pension scheme to win an award, a huge achievement given there were over 40 awards. This really does highlight our determination to be best-in-class and we’re delighted that our efforts have been recognised by our peers and the wider pensions industry.*

*I would like to express my sincere thanks to the entire team, as always, for their incredible dedication and commitment in continuing to deliver a first-class, innovative, and highly personalised service to all our stakeholders.”*



**Jody Evans**, Director for Essex Pension Fund

### Work of the Essex Pension Fund

As ever, offering an expert, high-quality service to our Scheme Members remains our core objective. Our team members pride themselves on their sensitive approach and in-depth knowledge when helping guide our members and their families through what may, at times be difficult and emotional life events. Our customers feedback regularly telling us about their experiences on the service they receive from us by completing our Fund surveys which I’m pleased to say is overwhelmingly positive. In fact, the number of surveys we received in 2022/23 increased to over 1,100, a rise of 288% on the previous year. As well as a nearly threefold increase in the number of responses received, the number of positive comments also increased from 95% to 97%, highlighting many of the team individually and commending us on our

consistent and friendly approach in addition to praising us on the information we provide as easy to follow.

Our employer and training events continue to be a popular way of communicating with our various stakeholders and we have also spent more time developing our YouTube channel as another means of supporting our Stakeholders.

As we emerged from the pandemic and further developed our hybrid working model, we continued to explore new ways to communicate with our Stakeholders, including holding a Retirements Webinar in January 2023 in which we reached the maximum registration capacity of 1,000 people. This highly successful event is available to watch on our YouTube channel and has amassed over 1,000 views. At the same time, we reached out to Employers and begun visiting their offices to resume face-to-face pension surgeries, roadshows, and well-being events around the County meeting with and offering support to Scheme Members whilst continuing to provide our more traditional means of communication, such as telephone calls, emails and post.



Following the revision of the Fund's Administration Strategy, we continued to work with our Employers on the migration to monthly returns. Each return contains 70 individual pieces of data, personal to each employee. All 770 active Employers have made or are continuing to make the transition thereby improving both the accuracy and timeliness of the data we receive. This more efficient form of requesting data improves the effectiveness and quality of the information we are able to hold and use when providing personal information to our Scheme Members. This improved approach has enabled the team to create, print and send Annual Benefit Statements (ABS) to 131,000 active and deferred members more quickly and more accurately.

The popularity of Member Online continued to grow, with Scheme Members able to use this online tool to view and update their own personal data, perform estimate calculations and even retire themselves without the need to contact anyone in the Fund. With over 36,500 Scheme Members now using this tool regularly, I anticipate even more Scheme Members wanting to register over the coming year. Employer Online is also being used by more and more Employers, with nearly half of them reviewing and updating their staff members' details anytime they wish, making this a convenient, flexible and easy way to keep the Fund updated with any Scheme Member changes.



As well as everything I've already highlighted, we continue to manage our own pensioner payroll. This too is growing, and we are currently paying over 49,000 pensioners a total monthly value of £22 million. With over 75% of our pensioners continuing to live in Essex, this really does help the economy of Essex.

## Statement from the Executive Director, Corporate Services

Pension funds continue to be under scrutiny to demonstrate good stewardship around Responsible Investment (RI) which is supported by the level of Freedom of Information (FOI) requests the Fund receives in regard to its investments with the Investment Team alone responding to twenty-eight FOIs up to 31 March 2023. Not only was the Fund successful in obtaining FRC UK Stewardship signature status but did so on the first submission which is exceptional. This enabled the ISC to complete all activities on the 2022/23 RI Project Plan for another year.

The 2022 Triennial Actuarial Valuation was concluded, which saw the Fund increase its funding level to 102.3% and the team have continued the application of the Policies introduced to assist Employers to exit the Fund with affordable payment plans enabling deficits to be paid in manageable quantities.

The Fund successfully published the Valuation Report and revised Funding Strategy Statement by the Statutory deadline of 31 March 2023, after consulting Fund Employers and holding discussions with them throughout the process.

In response to the current financial climate, the Fund have further supported the Essex Community asking Scheme Members to think about what they want from their pension and whether making additional contributions for their future is their priority or to take advantage of the 50:50 option to help the current financial climate impacts.

I would like to conclude with recognising the outstanding contribution that the team of Officers who support the activities of the Fund make.



**Nicole Wood**

Executive Director, Corporate Services



# Fund Trends and Financial Summary

## Financial Performance

Each financial year the Fund incurs expenditure and gains income as a result of performing its activities.

Below is a summary of the Fund's financial position over the last 5 years, broken down into main areas of expenditure and income.

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Value of fund at start of year</b>	£000	£000	£000	£000	£000
<b>Restatement of opening balance</b>	<b>6,518,883</b>	<b>7,027,288</b>	<b>6,627,625</b>	<b>8,739,136</b>	<b>9,645,581</b>
<b>Adjusted net assets as at 1 April</b>	<b>(61)</b>				
<b>Revenue Account for year:-</b>	<b>6,518,822</b>				
Members and employers contributions	239,786	252,492	313,726	292,325	314,322
Transfers in and other income	13,219	14,571	23,759	28,700	20,873
Benefits payable	(244,544)	(260,177)	(257,308)	(265,979)	(279,171)
Payments to and on account of leavers	(31,024)	(24,233)	(11,120)	(17,892)	(20,546)
<b>Net additions/ (withdrawals) from dealing with members</b>	<b>(22,563)</b>	<b>(17,347)</b>	<b>69,057</b>	<b>37,154</b>	<b>35,478</b>
Management expenses	(48,921)	(55,317)	(58,191)	(81,377)	(84,332)
<b>Net additions/ (withdrawals) including fund management expenses</b>	<b>(71,484)</b>	<b>(72,664)</b>	<b>10,866</b>	<b>(44,223)</b>	<b>(48,854)</b>
Investment income	92,287	109,811	96,539	125,896	162,153
Taxes on Income	(4,647)	(3,503)	(4,236)	(3,891)	(7,500)
Profit and losses on disposal of investments and changes in market value of investments	492,310	(433,307)	2,008,342	828,663	(82,873)
<b>Increase (decrease) in fund during year</b>	<b>508,466</b>	<b>(399,663)</b>	<b>2,111,511</b>	<b>906,445</b>	<b>22,926</b>
<b>Value of fund at end of year</b>	<b>7,027,288</b>	<b>6,627,625</b>	<b>8,739,136</b>	<b>9,645,581</b>	<b>9,668,507</b>

The fund has increased in value in 4 of the last 5 financial years (overall increase March 2019 to March 2023 – 37.6%). The fund decreased in value in 2019/20, mainly due to the negative impact of Covid 19 on the market value of its investments.

## Fund Trends and Financial Summary

Member and employer contributions and benefits payable are related to the number of pension contributors and pensioners there are in each financial year. The table below reflects these relationships.

	2018/19 Restated	2019/20	2020/21	2021/22	2022/23
<b>Value at 31 March (£000)</b>	7,027,288	6,627,625	8,739,136	9,645,581	9,668,507
<b>Number of Contributors</b>	52,524	57,498	54,568	54,433	59,160
<b>Contributions (£000)</b>	239,786	252,492	313,726	292,325	314,322
<b>Number of Pensioners</b>	42,405	44,682	46,210	48,121	49,770
<b>Benefits Paid (£000)</b>	244,544	260,177	257,308	265,979	279,171

The number of contributors has increased by 12.6% over the last five years, and the number of pensioners have increased by 17.4% over the same period.

### Pension Contributions

Essex Pension Fund requires employers to pay pension contributions within 19 days of the end of the month in which the amount was deducted from the earnings. The table below shows the percentage of employer pension contributions received on time/late in the 2022/23 financial year.

Quarter	April - June	July - September	October - December	January - March
Percentage employers received on time	98.2%	98.5%	98.8%	98.9%
Percentage employers received late	1.8%	1.5%	1.2%	1.1%
Percentage cash received on time	99.4%	99.6%	99.8%	99.9%
Percentage cash received late	0.6%	0.4%	0.2%	0.1%

### 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
2020-21	£35,812.22	£18,645.14	£148.96	£17,018.12
2021-22	£10,868.07	£6,480.36	£0	£4,387.71
2022-23	£27,029.84	£13,758.69	£0	£13,271.15

# Fund Trends and Financial Summary

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## Cost Transparency

The LGPS Code of Transparency was launched by the Scheme Advisory Board in May 2017. The Code is a voluntary agreement to provide LGPS clients with transparent cost information. This was followed up by the establishment of the Cost Transparency Initiative (a partnership between the Pensions and Lifetime Savings Association (PLSA), the Investment Association (IA) and the LGPS Advisory Board) in November 2018.

The Code of Transparency has been developed to assist LGPS funds in obtaining data they will require to report costs incurred by their investment funds. The Fund recognises that there is a growing awareness and interest in the costs and charges being incurred by its investment activities, and whether they represent value for money. By having a greater understanding of all the costs and charges generated by our investments, the Fund helping to ensure that the best possible returns are generated from our investment activities.

The Code of Transparency is currently voluntary, and therefore Fund Managers are not required to provide the information. However the Fund has been actively engaging with its fund managers, to encourage them that it is good practice to provide cost transparency information, and to voluntarily sign up to the Code of Transparency.

For 2022/23 Essex Pension Fund received cost transparency information from all fund managers (though not all templates were provided in time for the Fund to reflect all direct costs in the Statement of Accounts). The fund managers sent the information directly to the fund, using multiple versions of the cost transparency template.

## Fund Trends and Financial Summary

Below is a table that reflects the costs and charges incurred by the Fund for 2022/23:

	Asset pool			Non-asset pool			Direct Costs	Indirect Costs	Whole Fund
	Direct £m	Indirect £m	Total £m	Direct £m	Indirect £m	Total £m	Total £m	Total £m	Total £m
<b>Management fees</b>	12.713	-	12.713	38.944	-	38.994	<b>51.657</b>	-	<b>51.657</b>
<b>Performance fees</b>	-	-	-	21.884	-	21.884	<b>21.884</b>	-	<b>21.884</b>
<b>Asset pool shared costs</b>	-	-	-	-	-	-	-	-	-
<b>Transaction Costs</b>									
Taxes and stamp duty	-	-	-	-	-	-	-	-	-
Broker commission	0.358	-	0.358	0.873	-	0.873	<b>1.231</b>	-	<b>1.231</b>
Implicit costs	-	1.998	1.998	-	4.070	4.070	-	<b>6.068</b>	<b>6.068</b>
Entry/ exit charges	-	-	-	-	-	-	-	-	-
Indirect transaction costs	-	0.805	0.805	-	-	-	-	<b>0.805</b>	<b>0.805</b>
Other transaction costs	-	-	-	0.002	-	0.002	<b>0.002</b>	-	<b>0.002</b>
<b>Custody</b>	-	-	-	0.240	-	0.240	<b>0.240</b>	-	<b>0.240</b>
<b>Other</b>									
Stock lending	-	-	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13.071</b>	<b>2.803</b>	<b>15.874</b>	<b>61.943</b>	<b>4.070</b>	<b>66.013</b>	<b>75.014</b>	<b>6.873</b>	<b>81.887</b>

# Risk Management and Internal Controls

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## 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 line with ECC's arrangements for managing risks and 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: Governance; Funding; Investments; 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 advisers, Hymans Robertson LLP and Mark Stevens.

## ACCESS Pool Risk Register

The ACCESS Pool has a detailed Risk Register that is reviewed on a quarterly basis by the ACCESS s151 officers, Officer Working Group and reported to the Joint Committee. The Risk Register covers all aspects of ACCESS activity including pool governance, the ACS operator, sub-fund establishment and implementation and Environmental, Social and Governance/Responsible Investment.

## Systems of internal control

ECC's statement of accounts, including the accounts of the Fund, is subject to external audit by BDO LLP 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:

- Essex Pension Fund - Administration; and
- Essex Pension Fund - 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



## Risk Management and Internal Controls

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, of the 2022/23 internal audit outcomes, no recommendations were made.

The Fund also obtains assurance over the systems and internal controls operated by its investment managers, custodian, and other key third party suppliers, by obtaining relevant audit documentation. The table below lists the results for 2022/23.

Fund Manager	Audit Opinion - Internal Controls	Action taken by Fund
Alcentra	Qualified – due to one control objective not being met. The control, relating to Restricting Access to Systems and Data-Logical Access, did not operate to the required standard. We have been informed by Alcentra that they feel there was no material impact on Alcentra funds.	Essex Pension Fund is liaising with Alcentra to ensure this issue is being rectified.
Aviva Investors	Unqualified	None
Link - UK Funds Solutions	Unqualified	None
Link - Funds Solutions IT	Qualified – due to one control objective not being met. The control, relating to Restricting Access to Systems and Data-Physical Access, did not operate to the required standard. Link Group have now issued stricter controls around leavers' access cards, and the Fund will monitor progress in achieving this.	Essex Pension Fund is liaising with Link to ensure this issue is being rectified.
Stewart Investors (First Sentier)	Unqualified	None
Goldman Sachs Asset Management	Unqualified	None
Hamilton Lane	Qualified – During the period of January 1, 2022 through December 31, 2022, there were no occurrences of client account agreement amendments that required a guideline update. Consequently, the operation of controls relating to client account agreement amendments did not occur in that period.	None
J.P. Morgan Asset Management	Unqualified	None
IFM	Unqualified	None
Marathon	Unqualified	None
Partners	Unqualified	None
Stafford	Unqualified	None
UBS Asset Management (UK) Ltd	Unqualified	None
<b>Custodian</b>		
Northern Trust	Unqualified	None
<b>Actuary</b>		
Barnett Waddingham	Unqualified	None





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# ACCESS

## Annual Report

### 2022/23



**ACCESS**

Effective • Collective • Investment

# Foreword

## **As Chairman of the ACCESS Joint Committee, I am pleased to introduce the latest Annual Report for the ACCESS Pool.**

Whilst our initial steps to collaborate as eleven Authorities started in 2016, it was in 2018 that our first pool investments were made.

Having jointly procured UBS to provide passive investment mandates, we started 2018 with the migration of assets from legacy passive managers to UBS with £10bn held in passive assets at the end of March 2023.

Following the appointment of Link Fund Solutions (LFS) as Authorised Contractual Scheme (ACS) Operator, we saw the first actively managed sub-funds launched towards the end of 2018. Our range and depth of sub-funds has grown substantially since then, with over £24bn invested within the ACS at the end of March 2023.

As investors with a long-term focus, we find ourselves within the relatively early stages of our pooling journey. However, given that some of the earliest sub-funds now have between four and five years of history, it is right to highlight the performance trends we are starting to see.

Beyond listed assets our Pool has undertaken significant work in relation to property – which is our first non-listed asset class. During the year our Implementation Adviser MJ Hudson has undertaken a procurement process for two property mandates: UK Core Property and Global Real Estate. Towards the end of 2022/23 these processes concluded and saw the appointment of CBRE to both mandates.

Work is currently underway with CBRE, our advisers and the ACCESS Authorities on establishing the necessary arrangements for these investment opportunities.

In the last twelve months we have published our updated Responsible Investment (RI) Guidelines and participated in the DLUHC consultation on climate related reporting, the outcomes of which we look forward to seeing. ACCESS also commenced the process for the procurement of advice and support for RI reporting which will conclude in later summer 2023.

In closing I would like to thank my fellow ten Joint Committee members, each representing their respective Authorities, along with the Officers who support them, and the ACCESS Support Unit (ASU).



**Cllr Mark Kemp-Gee**  
Chairman of the ACCESS Joint Committee  
**Chairman of the Hampshire Pension Fund Committee and Board**



Hampshire

# Introduction

**It has been another busy and fulfilling year supporting the ACCESS Pool.**

Every twelve months a process is undertaken to develop both a Business Plan and Budget for the forthcoming financial year. The Business Plan is fundamental to how ACCESS activity is both scoped and monitored, and its development serves as an illustration of the Pool's governance arrangements and how interaction with key stakeholder groups is structured.

The process commences with initial drafting by the ACCESS Support Unit (ASU) and proceeds through detailed dialogue with the subject matter experts at each ACCESS Authority who come together to constitute the Officer Working Group (OWG). This is followed by consideration by the s151 Officers Group which has specific responsibility under the terms of the ACCESS Inter-Authority Agreement (IAA) to make recommendations to the Joint Committee on business planning and budget matters. Subsequently, the Joint Committee reviews and considers both the Business Plan which is then recommended to each ACCESS Authority. The Joint Committee also determines the annual budget required to deliver the Business Plan.



The key milestones within the 2022/23 Business Plan are outlined later in this Annual Report.

2022/23 also saw processes commence in relation to two of ACCESS's strategic partners. ACS Operator Link Fund Solutions announced arrangements which will see its business purchased by Waystone Group. The sale process of Implementation Adviser MJ Hudson to Apex also commenced. It is important to emphasise that the teams and systems supporting the ACCESS Pool remain unaltered as a consequence of these announcements.

Shortly after the end of the year, the ASU welcomed Alistair Coyle as a new Client Manager. Alistair joins us having worked for our colleagues at Link Fund Solutions and brings a wealth of both ACS Operator and ACCESS experience.

I would like to thank my ASU colleagues, the technical leads and the officers of the Authorities for their enthusiasm, support and hard work towards the continued progress of the Pool.



**Kevin McDonald**

Director - ACCESS Support Unit



Felixstowe, Suffolk



# ACCESS Authorities profile



An overview of the Pool’s governance structure is outlined below.



# ACCESS Background



Thaxted, Essex

## ACCESS Background

ACCESS has its origins in 2016 when 11 Local Government Pension Scheme (LGPS) Authorities agreed to begin working collectively to address the requirements of the Government's agenda for pooling LGPS investments.

The following strategic objectives are in place:

1



Enable the Councils to execute their fiduciary responsibilities to LGPS stakeholders, including scheme members and employers, as economically as possible.

2



Provide a range of asset types necessary to enable those participating Authorities to execute their locally-determined investment strategies as far as possible.

3



Enable the Councils to achieve the benefits of pooling investments, preserve the best aspects of what is currently done locally, and create the desired level of local decision making and control.

03

In order to achieve these objectives, the Councils have established a set of governing principles.

The governing principles are summarised below.



Collaboration



Risk management



Objective evidence based decisions



Equitable voice in governance



Professionalism



Equitable cost sharing



No unnecessary complexity



Evolution and innovation



Value for money

Implicit within the above principles is the democratic accountability and fiduciary duty of the Councils as Administering Authorities.

## Key Statistics

<p><b>3 Year Performance</b></p> <p><b>14% p.a.</b></p>	<p><b>Employers</b></p> <p><b>3,459</b></p>
<p><b>Members</b></p> <p><b>1.2 million</b></p>	<p><b>Pensioners</b></p> <p><b>340 thousand</b></p>
<p><b>Pooled Assets</b> As at March 2023</p> <p><b>ACS</b></p> <p><b>£24.5bn</b></p> <p><b>UBS (1 jointly procured provider)</b></p> <p><b>£9.9bn</b></p> <p><b>Pooling Progress</b></p> <p><b>59%</b></p>	<p><b>Costs &amp; Savings</b> Since inception to March 2023</p> <p><b>Gross Savings</b></p> <p><b>£98.9m</b></p> <p><b>Costs</b></p> <p><b>£27.6m</b></p> <p><b>Net Savings</b></p> <p><b>£71.4m</b></p>



Maidstone, Kent

## Pooling Progress

Pooled assets represented 85% of all listed assets held by ACCESS Authorities and 59% of all assets held by ACCESS Authorities.

Pooled Investments	£ Billion
Global Equity Funds	15.595
UK Equity Funds	2.590
Fixed Income	4.973
Diversified Growth	1.319
Passive Investments	9.940
<b>Total Pooled Investments</b>	<b>34.417</b>
<b>Pooled Assets % of Total Listed Assets</b>	<b>85%</b>
<b>Pooled Assets % of Total Assets</b>	<b>59%</b>

Pooling has continued throughout the year with the ACCESS Authorities investing within the sub-funds already set up.

One sub-fund was launched during the year in November 2022, which attracted £800 million funding from ACCESS Authorities that had not previously invested with the investment manager.



Potter End, Hertfordshire



# Performance

As at 31 March 2023 the ACCESS ACS contains a number of sub-funds across UK and Global Equities, Fixed Income and Diversified Growth Fund (DGF) Strategies.

Annualised investment performance for each of these asset classes is shown in the table below for the three years ending 31 March 2023 and since inception.

Asset class	£bn	Asset Managers	3 years to 31 March 2023 (annualised)			Since inception to 31 March 2023 (annualised)		
			Perf.	B/mark	+/-	Perf.	B/mark	+/-
UK equities	2.6	Schroders, Baillie Gifford, Liontrust & Blackrock	13.8%	13.5%	0.3%	6.0%	6.1%	-0.1%
Global equities (growth)	10.9	Baillie Gifford, Longview, Fidelity, Newton, J O Hambro, Capital, Mondrian & Arcadian	17.1%	16.0%	1.1%	13.0%	9.7%	3.3%
Global equities (value)	4.7	M&G, Dodge & Cox, Schroders & Macquarie						
Fixed income	5.0	Royal London, Baillie Gifford, M&G, Fidelity & Janus Henderson	-0.4%	-1.7%	1.3%	0.6%	0.2%	0.4%
DGF	1.3	Baillie Gifford, Ruffer & Netwon	7.4%	10.0%	-2.6%	4.7%	5.4%	-0.7%
<b>Total</b>	<b>24.5</b>		<b>14.0%</b>	<b>13.1%</b>	<b>0.9%</b>	<b>10.1%</b>	<b>7.5%</b>	<b>2.6%</b>

Strongest investment outperformance, compared to benchmark, was seen from the Global Equities sub-funds which also account for the largest allocation of assets, £15.6 billion, 64% of the ACCESS Pool.

Although Fixed Income produced negative returns the investments outperformed the benchmark over the year.

Despite negative returns from Diversified Growth Funds and on UK Equities (since conception), the emerging trend is one of overall positive performance.



Blakeney, Norfolk



# Savings

A budget for ongoing operational costs is set by the Joint Committee and is financed equally by each of the eleven Authorities.

The table below summarises the financial position for 2022/23 along with the cumulative position since the commencement of ACCESS activity in early 2016.

	2022 – 2023		2016 – 2023	
	Actual In Year £' Million	Budget In Year £' Million	Actual Cumulative to date £' Million	Budget Cumulative to date £' Million
Set Up Costs	-	-	1.824	1.400
Transition Costs	-	2.100	3.338	6.907
Ongoing Operational Costs	1.175	1.366	5.292	7.695
Operator & Depositary Costs	4.979	4.787	17.128	20.938
<b>Total Costs</b>	<b>6.154</b>	<b>8.253</b>	<b>27.582</b>	<b>36.940</b>
<b>Pool Fee Savings</b>	<b>28.645</b>	<b>17.800</b>	<b>98.945</b>	<b>65.550</b>
<b>Net Savings Realised</b>	<b>22.491</b>	<b>9.547</b>	<b>71.363</b>	<b>26.510</b>

2022/23 saw an underspend primarily due to lower than anticipated costs of procurement and technical professional costs.

Operator and depositary fees are payable by each Authority in relation to assets invested within the Authorised Contractual Scheme established by Link Fund Solutions as pool operator.

The 2022/23 fee savings have been calculated using the Chartered Institute of Public Finance and Accountancy (CIPFA) price variance methodology and based on the average asset values over the year. This approach highlights the combined level of investment fee savings, across all ACCESS Authorities stemming from reduced charges.

In summary, since inception ACCESS has demonstrated excellent value for money, maintaining expenditure broadly in line with the DLUHC submission whilst delivering an enhanced level of savings ahead of the timeline contained in the original proposal.



Freshwater Bay,  
Isle of Wight

# Business Plan

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The activities within last year's 2022/23 Business Plan, are shown below. The ongoing nature of a number of areas result in milestones spanning different years.

- Review of the corporate governance manual.
- Revisions and sign off by the councils of the Inter-Authority Agreement.
- ACCESS Responsible Investment guidelines agreed by the Joint Committee and recommended to Councils.
- Agree the requirements for the UK Property and Global Property mandates.
  - Procurement for implementation adviser carried out by MJ Hudson in collaboration with the Hampshire procurement officer.
  - UK Property and Global Property awarded to CBRE.
- Procurement for an independent third party to review the effectiveness of the ACCESS Pool operations.

The Business Plan for **2023/24** was agreed by the Joint Committee in December 2022 and covers:

- Independent third-party business review and implementation of any outcomes.
- Launch of emerging market sub-funds.
- Continuance of the implementation of the alternative investment programme.
- Investment of indirect UK and global property mandates with CBRE.
- Responsible Investment Phase II procurement.
- Governance: the continued application of appropriate forms of governance throughout ACCESS including the commencement of both responsible investment reporting support for the Pool, and the second contract for communications support.
- Scheduled evaluation: preparation for, and the commencement of, the re-procurement of operator services in the penultimate year of the Operator contract.



Braunston, West  
Northamptonshire

# Environmental, Social & Governance

The ACCESS Authorities believe in making long term sustainable investments whilst integrating environmental 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 Local Government Pension Scheme (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.

## Responsible Investment Guidelines

Following the completion of a review led by Minerva Analytics, ACCESS has now published an updated Responsible Investment Guidelines. These have been developed around five pillars: governance, process, implementation, stewardship and monitoring/reporting.

The key high-level points of the Guidelines are:

- The Councils remain sovereign (particularly in relation to setting investment strategy). However, the opportunity exists for ACCESS to help coordinate RI approaches;
- All Councils agree that RI issues have the potential to impact investment returns over the short, medium and long-term;
- RI issues and concerns should be addressed primarily at the point of investment, whether that is in relation to an individual stock, or an entire portfolio;
- A number of RI priorities have been identified for the coming year, mostly associated with establishing a 'benchmark' of where the Councils' assets and asset managers sit in terms of RI concerns;
- Active stewardship remains the preferred approach when it comes to investments – with engagement over divestment being the Councils' combined approach;
- ACCESS, through the ASU and Link (the ACS Operator), will seek to ensure appropriately structured RI reporting is provided by the asset managers, so that each Council can meet its own RI reporting and communication objectives.

The Guidelines have been published in both summarised and full forms.



Rye, East Sussex

# Environmental, Social & Governance

## Voting:

The ACCESS pool has a set of voting guidelines which seeks to protect and enhance the value of its shareholdings by promoting good practice in the corporate governance and management of those companies.

The guidelines set out the principles of good corporate governance and the means by which ACCESS will seek its influence on companies. The voting activity is reported to the Joint Committee on a quarterly basis.

During the year ACCESS voted at **2,801** meeting on **34,727** resolutions.

On a quarterly basis the votes can be summarised as below:

Quarter	Number of Meetings	Votes cast For	Votes cast Against	Votes cast Other	Total Votes Cast
June 2022	1,920	24,301	3,664	605	24,301
September 2022	350	3,870	368	51	4,289
December 2022	250	2,204	297	72	2,573
March 2023	281	3,180	391	65	3,564

## Engagement:

Link Fund Solutions arranges regular sessions with the Investment Managers to present to the Authorities Pension Fund Officers to demonstrate how they implement environmental, social and governance into their investment strategy and decision-making process.

These also give the investment manager the opportunity to discuss the engagement activities they have undertaken, what constructive dialogue was had and how they have used their influence to encourage the adoption of best practice.



Arundel, West Sussex

For any enquiries, please contact the Access Support Unit (ASU) on [ASU@accesspool.co.uk](mailto:ASU@accesspool.co.uk)

[accesspool.org](http://accesspool.org)





## SECTION 1

## Governance Arrangements

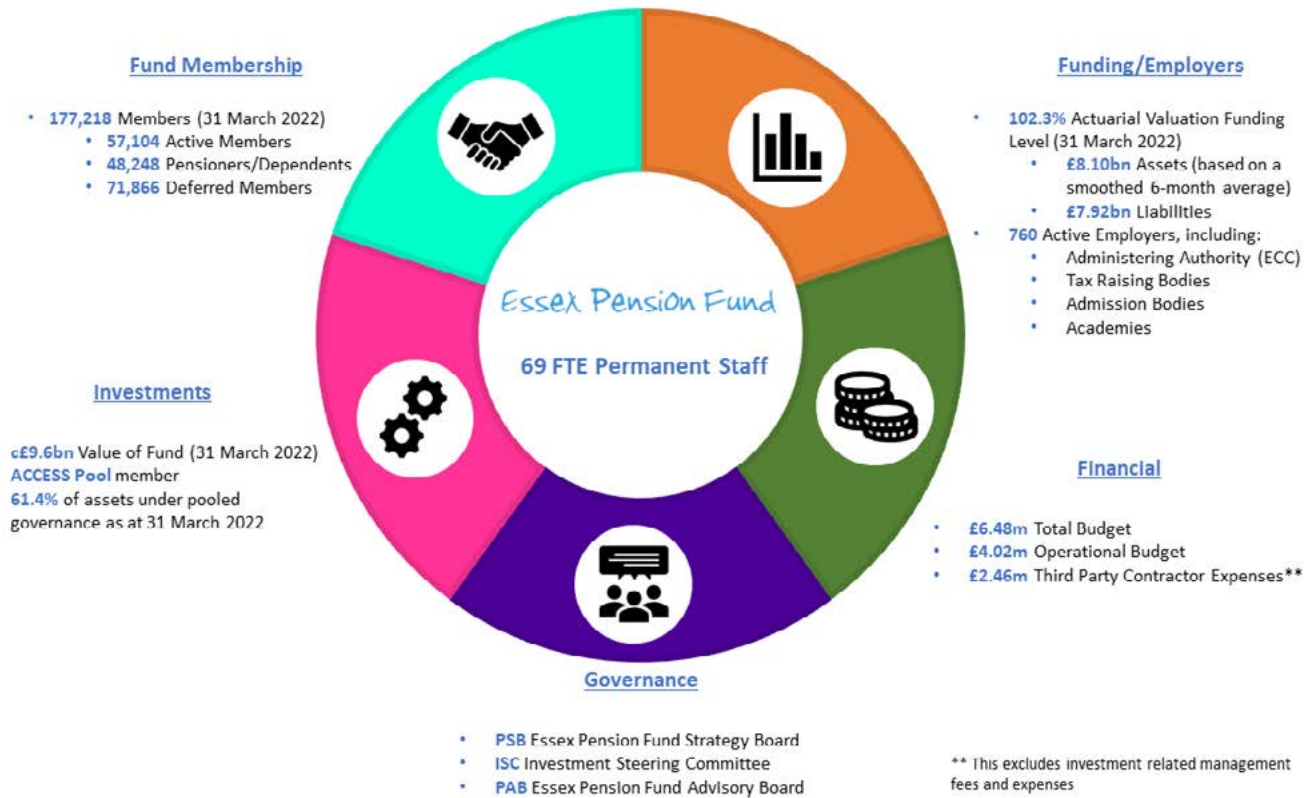


# About the Essex Pension Fund ('the Fund')

The Essex Pension Fund 'the Fund' is one of the 87 Funds making up the Local Government Pension Scheme (LGPS) in England and Wales.

The Fund is managed and administered by Essex County Council. Essex County Council are responsible for maintaining and managing the Fund on behalf of its Stakeholders, the Scheme Members and Employers participating in the Fund.

## Key Facts



Key facts above are taken from the 2023/24 - 2025/26 business plan.

# Who Manages and Runs the Fund

Essex County Council (ECC) functions as the Administering Authority are delegated to the Essex Pension Fund Strategy Board (PSB), the Essex Pension Fund Investment Steering Committee (ISC) and its Officers.

## Membership of the Essex Pension Fund Strategy 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 2022/23 is detailed below:

### Representatives of the Administering Authority (ECC)



Cllr. S. Barker (Chairman)



Cllr. M. Platt (Vice Chairman)

Cllr. A. Goggin  
Cllr. A. Hedley  
Cllr. M. Hoy  
Cllr. D. King  
Cllr. C. Souter  
Cllr. M. Durham (Conservative Substitute)  
Cllr. M. Mackrory (Liberal Democrat Substitute)

### Representative of Scheme Members

S. Child (UNISON)

### Representatives of the City / 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. S. George (Southend-on-Sea City Council)

# Who Manages and Runs the Fund

---

## **Representative of Other Employing Bodies**

R. Hadley (Chelmer Housing Partnership)

## **Independent Governance & Administration Adviser to the Board**

M. Lambe, AON

## **Fund Actuary**

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

## **Membership of the Essex Pension Fund Investment Steering Committee (ISC)**

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 2022/23 were:

### **Representatives of the Administering Authority**

Cllr. S. Barker (Chairman)

Cllr. M. Platt (Vice Chairman)

Cllr. A. Goggin

Cllr. A. Hedley

Cllr. M. Hoy

Cllr. D. King

Cllr. C. Souter

Cllr. M. Durham (Conservative Substitute)

Cllr. M. Mackrory (Liberal Democrat Substitute)

### **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

# Who Manages and Runs the Fund

## Membership of the Essex Pension Fund Advisory Board (PAB)

In addition, the Local Pensions Board (Essex Pension Fund Advisory Board (PAB)) was established on 1 April 2015 under the requirements of the Public Service Pensions Act 2013. It has an oversight role to assist the Administering Authority in securing compliance with regulations by acting as a 'critical friend' to the PSB and the ISC, ensuring the efficient and effective governance and administration of the Fund.

### Chairman

N. Mark

Independent Chairman

### Scheme Members representatives

A. Coburn

C. Downes

D. Hurst

S. Roberts

UNISON

Active Member, Essex County Council

Active Member, Chelmsford College

Active Member, Shenfield High School

### Employer Representatives

J. Durrant

Cllr. L. Barber

Cllr. M. Bracken

Cllr. J. Duffin (until 30 September 2022)

Cllr. G. Snell (from 25 January 2023)

Essex Police, Fire and Crime Commissioner  
Fire and Rescue Authority

Essex County Council

Chelmsford City Council

Thurrock Borough Council

Thurrock Borough Council

## ACCESS Pool

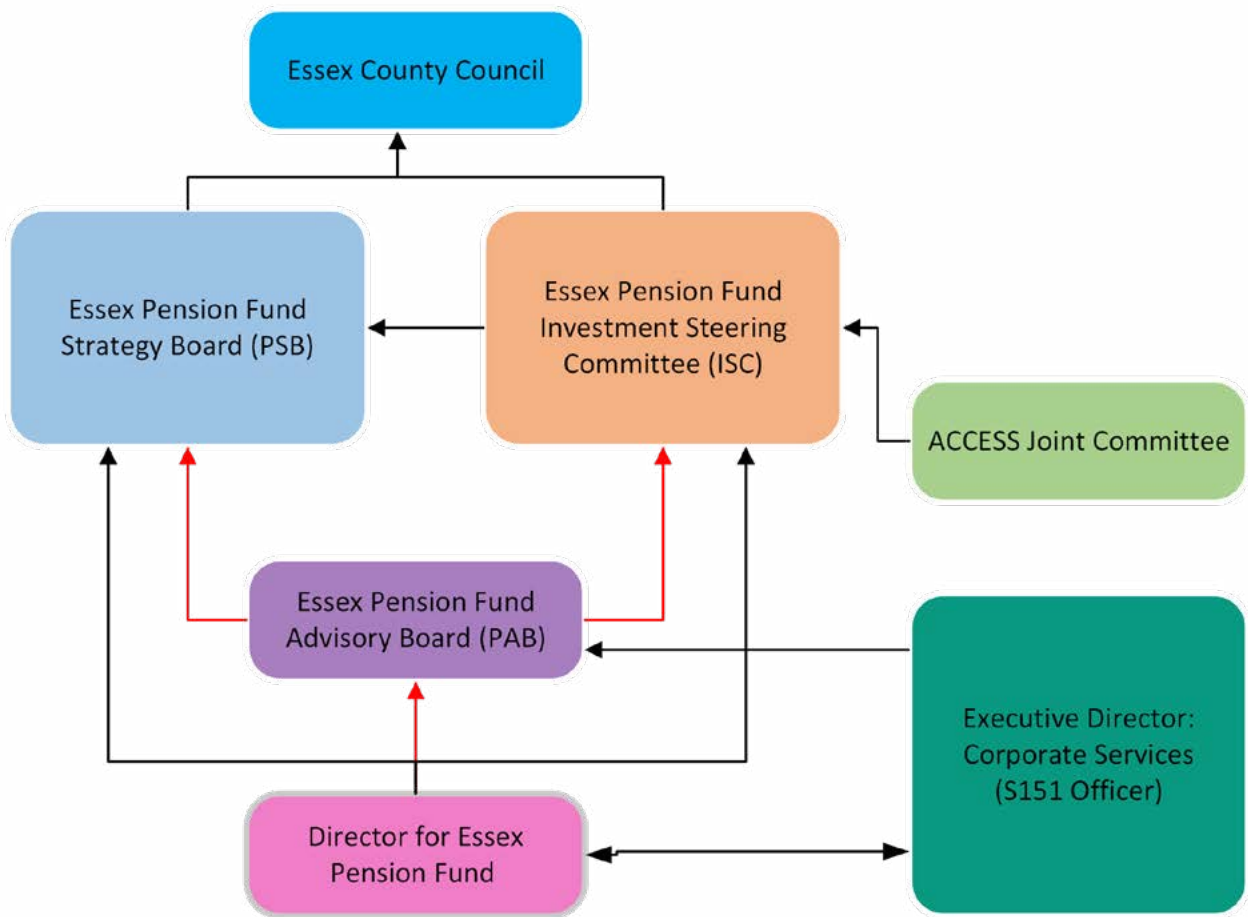
The Fund is one of eleven like-minded LGPS Funds working collaboratively under the name ACCESS (A Collaboration of Central, Eastern and Southern Shires) who are committed to working together to optimise benefits and efficiencies in relation to investments on behalf of their individual and collective stakeholders.



# Who Manages and Runs the Fund

## Governance of the Fund

The relationship between the key decision-making bodies and day-to-day management of the Essex Pension Fund is illustrated below:

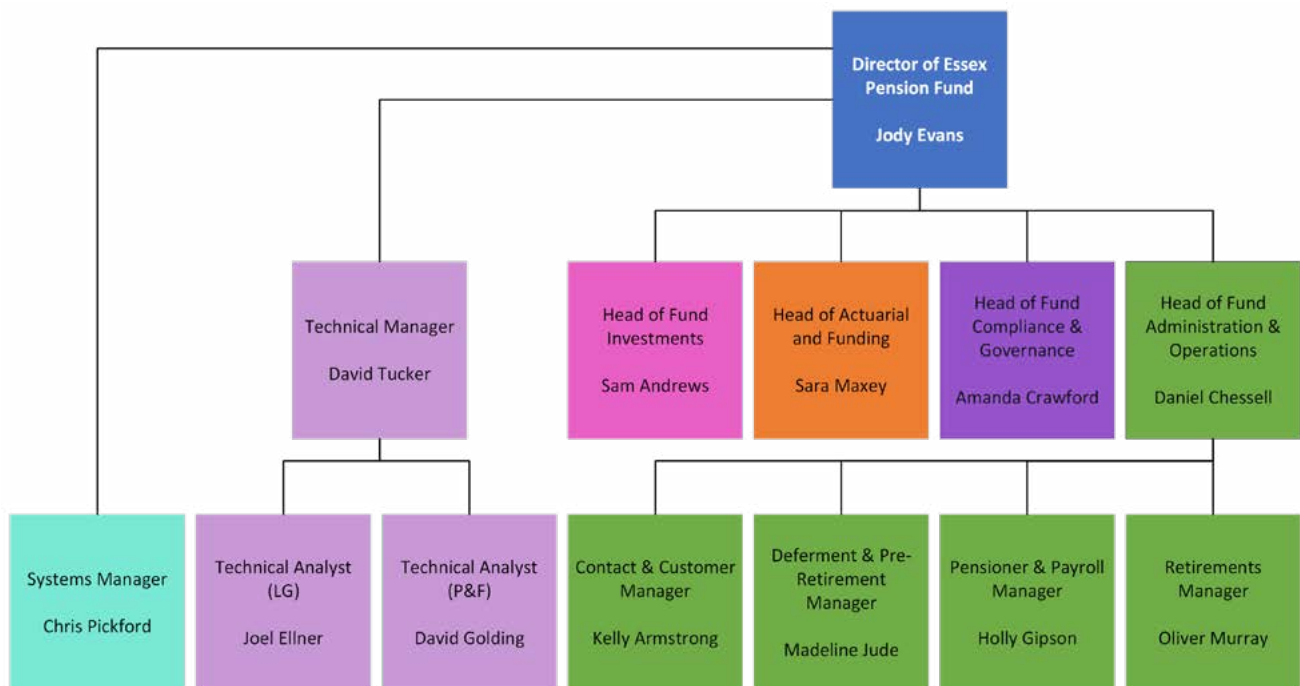


# Who Manages and Runs the Fund

## Staffing Structure of the Fund

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, 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.

The day-to-day management of the Essex Pension Fund is illustrated below:



# 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.

## Equity

### Manager

UBS Asset Management

### Mandate

Global Equities (Passive/Index Tracking)

## Bonds

### Manager

UBS Asset Management

### Mandate

Index Linked Bonds (Passive/Index Tracking)

## Property

### Manager

Aviva Investors Global Services Ltd

### Mandate

Direct & Indirect Property

Partners Group Management II

Global Property

# Fund Management Structure and Other Professional Organisations

## Alternatives

Manager	Mandate
Hamilton Lane (UK) Ltd	Private Equity
Partners Group Management II	Infrastructure
J.P. Morgan Asset Management	Infrastructure
IFM Investors	Infrastructure
Stafford Timberland Limited	Timber
Alcentra Ltd	Direct Lending
Permira Management SARL	Direct Lending

## Assets within the ACCESS Pool

Operator	Mandate
Link Asset Solutions Limited	Global Equity & Corporate Bonds

## Other organisations providing services to the fund

Service	Organisation
Administration software provider	Civica
Auditors	BDO LLP
AVC provider	Utmost (formerly the Equitable Life Assurance Society) Prudential Standard Life Assurance Company
Custodian	The Northern Trust Company
Solicitors	Essex County Council – Legal Services

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26

March 2023





# Essex Pension Fund

## Business Plan 2023/24 - 2025/26

### Introduction

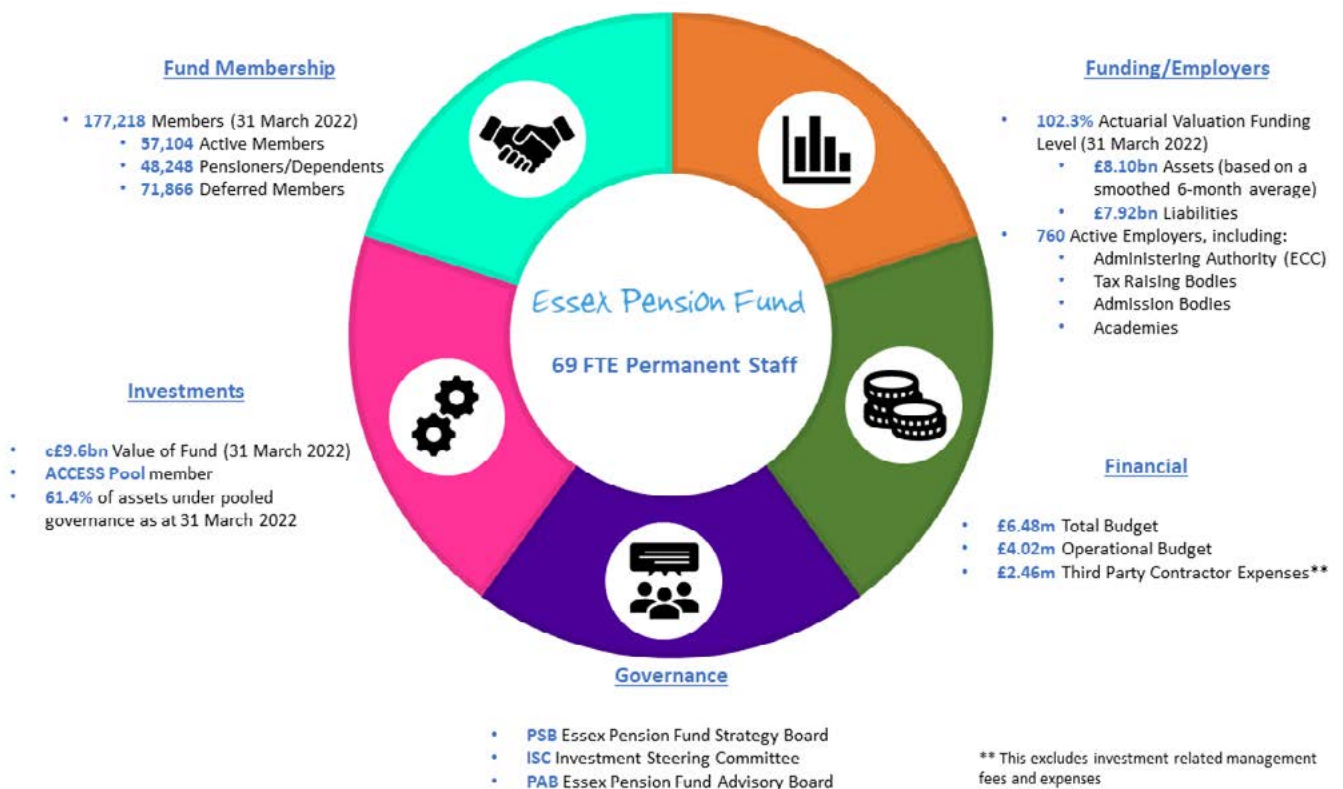
This Business Plan explains how the Essex Pension Fund 'the Fund' intends to develop and improve its services over the next three years. It enables the Fund to focus on its key priorities, the achievement of its objectives and assists Stakeholders in their understanding of how they contribute to the overall success of the Fund.

### About the Essex Pension Fund ('the Fund')

#### Key Facts

The Fund is one of the 86 Funds\* making up the Local Government Pension Scheme (LGPS) in England and Wales.

The Fund is managed and administered by Essex County Council (ECC). ECC are responsible for maintaining and managing the Fund on behalf of its Stakeholders;



# Essex Pension Fund

## Business Plan 2023/24 - 2025/26

### Who Manages and Runs the Fund

ECC's functions as the Administering Authority are delegated to the Essex Pension Fund Strategy Board (PSB), the Essex Pension Fund Investment Steering Committee (ISC) and its Officers. The membership of the PSB is detailed below.

In addition, the Local Pensions Board (Essex Pension Fund Advisory Board (PAB)) has an oversight role to assist the Administering Authority in securing compliance with regulations by acting as a 'critical friend' to the PSB and the ISC, ensuring the efficient and effective governance and administration of the Fund.

### Membership of the Essex Pension Fund Strategy Board

#### Representatives of the Administering Authority (ECC)



Cllr. S. Barker (Chairman)



Cllr. M. Platt (Vice Chairman)

Cllr. A. Goggin

Cllr. A. Hedley

Cllr. M. Hoy

Cllr. D. King

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Cllr. C. Riley (Castle Point Borough Council)

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Cllr. S. George (Southend-on-Sea City Council)

#### Representative of Other Employing Bodies

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# Essex Pension Fund

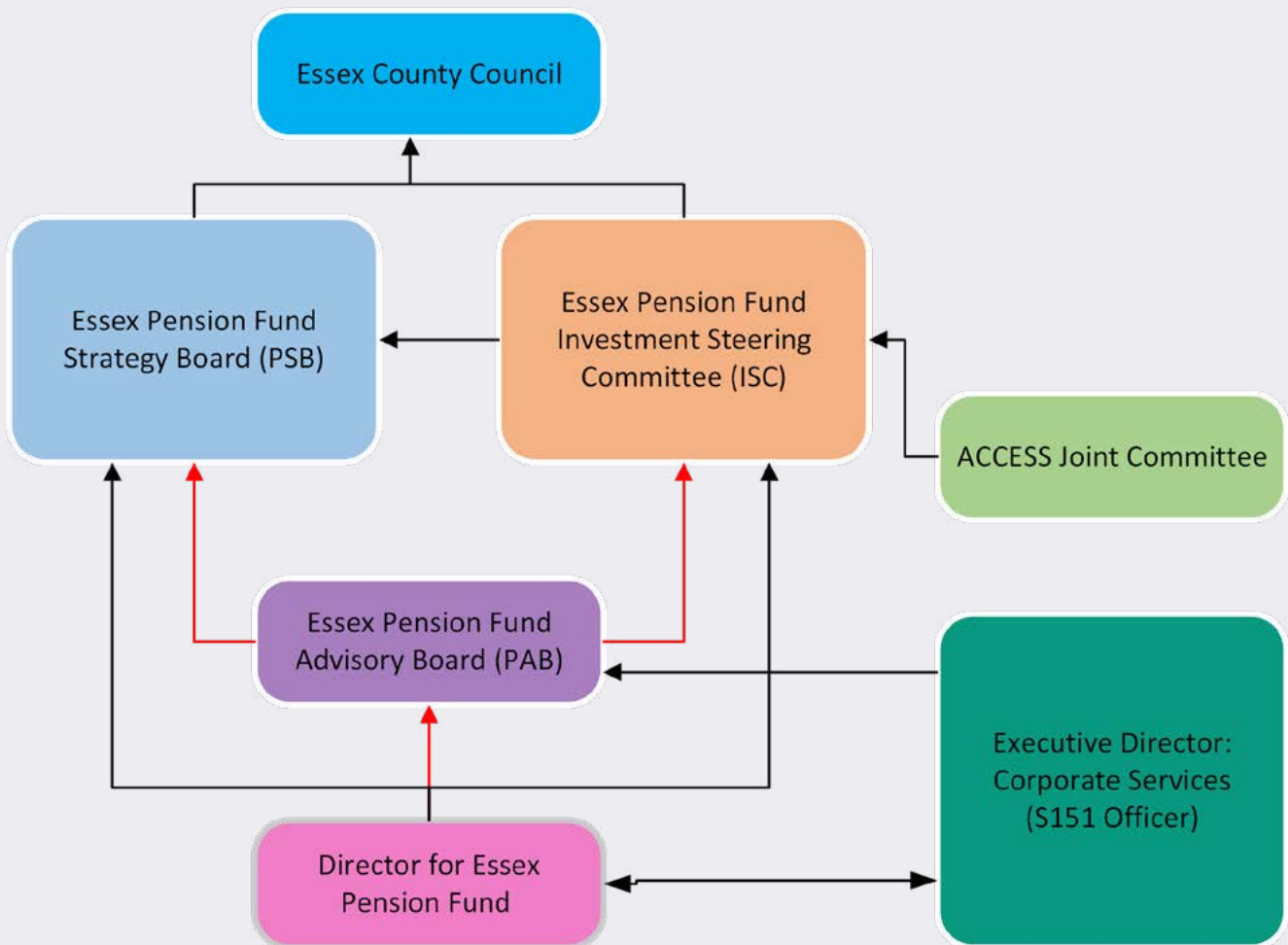
## Business Plan 2023/24 - 2025/26

### ACCESS Pool

The Fund is one of eleven like minded LGPS Funds working collaboratively under the name ACCESS (A Collaboration of Central, Eastern and Southern Shires) who are committed to working together to optimise benefits and efficiencies in relation to investments on behalf of their individual and collective stakeholders.

### Governance of the Fund

The relationship between the key decision-making bodies and day-to-day management of the Essex Pension Fund is illustrated below:

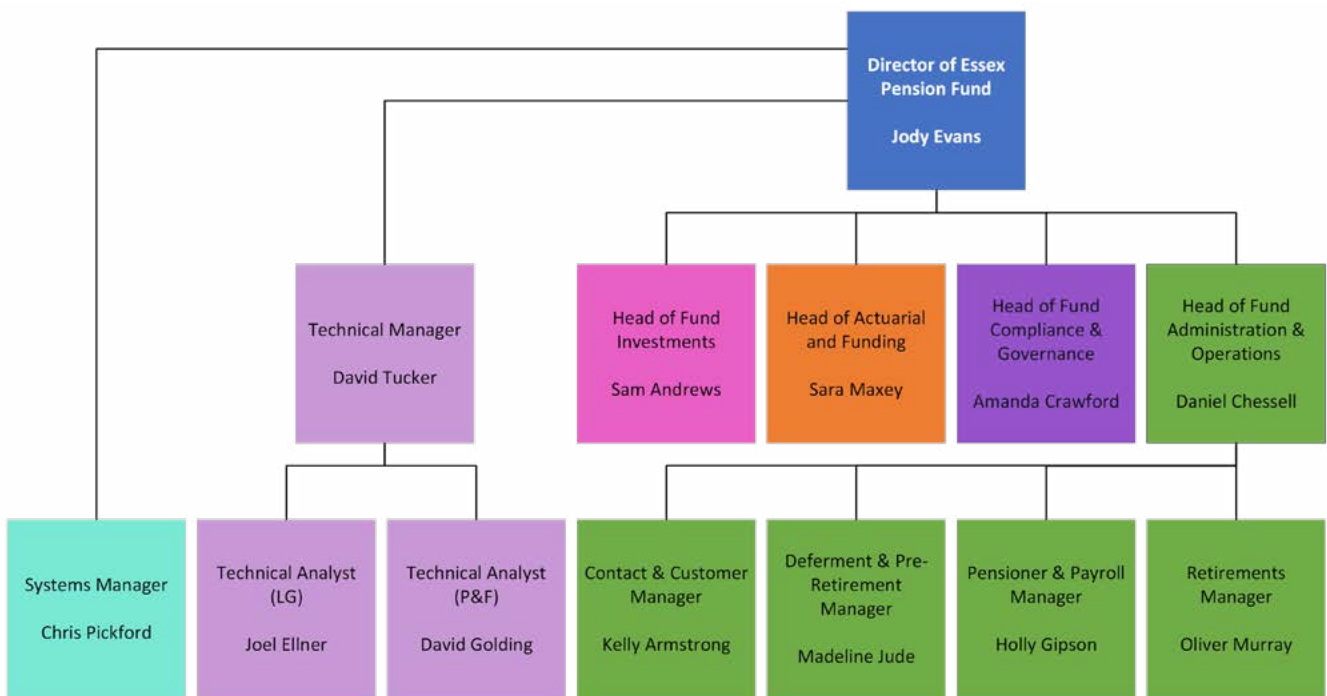


# Essex Pension Fund

## Business Plan 2023/24 - 2025/26

### Staffing Structure of the Fund

The day-to-day management of the Essex Pension Fund is illustrated below:



### Strategic Goals of the Fund

The strategic goals of the Fund are detailed below:





### The Fund's Priorities

The Fund's priorities for the three years 2023/24 to 2025/26 are linked to the five key areas of business: Governance; Funding; Investments; Administration; and Communications. The following sections outline: the Fund's objectives; area of activity, including strategic Business as Usual (BAU); financial; staff resource and third party support requirements; and training required to deliver the outcomes of the Business Plan.



# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Governance



### Objectives

We aim to:

- Provide a high-quality service whilst maintaining Value for Money;
- Ensure compliance with the LGPS regulations, other relevant legislation and The Pensions Regulator's Codes of Practice;
- Ensure the Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Evolve and look for new opportunities, ensuring efficiency at all times;
- Act with integrity and be accountable to our stakeholders;
- Understand and monitor risk and compliance;
- Continually measure and monitor success against our objectives; and
- Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including strategic BAU	2023/24	2024/25	2025/26
<b>Policies and Publications</b>			
Business Plan & Budget	Annual	Annual	Annual
Governance Policy and Compliance Statement	Review	-	-
Terms of Reference for PSB/ISC/PAB	Annual	Annual	Annual
Policy for the Recording and Reporting Breaches of the law	Review	-	-
Conflict of Interest Policy	-	-	Review
Risk Management Strategy	-	Review	-
Business Continuity Policy	-	Review	-
Business Continuity Plan (including Cyber security) and Testing	Ongoing	Ongoing	Ongoing
Cyber Policy	-	Review	-
Stakeholder Engagement Strategy	-	Review	-
Members' knowledge and understanding - Knowledge and Skills Strategy	Review	-	Review
Members' knowledge and understanding - Training Plan and Training Needs Analysis	Review	-	Review
Hymans Robertson Knowledge and Skills Assessment	Participation	-	-
Statement of Accounts including compliance with CIPFA requirements	Annual	Annual	Annual
PAB Workplan	Annual	Annual	Annual
PSB and PAB Member Appointments	As required	As required	As required
Electoral / Succession Planning for PSB/ISC Members	Planning	Implement	-

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including strategic BAU	2023/24	2024/25	2025/26
<b>Reviews</b>			
Fund's Strategic Objectives	As required	As required	As required
Governance Review and Effectiveness Survey	-	Review	-
LGPS Reform / Consultations / Changes to the Scheme	Ongoing	Ongoing	Ongoing
Scheme Advisory Board (SAB) Good Governance Project outcomes	Expected	Review	Implement
The Pensions Regulator Code of Practice	Expected	Review	Implement
AVC Review	As required	As required	Review
<b>Procurements</b>			
Independent Governance & Administration Adviser (IGAA) Review	Review	-	Retender preparation

### Internal Staff Resources and Support from Third Party Suppliers

To deliver the above activities and BAU, the internal staff resources and support from third party suppliers are as follows:

Internal Staff Resources	FTE*
Director for Essex Pension Fund	0.60
Investment Team	0.40
Funding Team	0.50
Compliance Team	3.00
Administration Team	0.25
Technical Team	0.20
Systems Team	0.25
<b>Total</b>	<b>5.20</b>

\*These are estimated figures and are subject to change.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Support from Third Party Suppliers

#### External Third Party Support

Aon - Independent Governance Administration Adviser (IGAA)

Barnett Waddingham LLP - Fund Actuary

Hymans Robertson LLP - Institutional Investment Consultant (IIC)

Mark Stevens - Independent Investment Adviser (IIA)

### Budget

To deliver the above activities in 2023/24, the budget allocated for third party support is £319k.

### Training

Training offered/delivered to our Committee/Board Members to increase knowledge, enabling robust decision making:

Training	2023/24	2024/25	2025/26
Formal Induction/Refresher training to ensure the PSB/ISC can carry out its role as decision maker	As required	As required	As required
Formal Induction/Refresher training to ensure the PAB can carry out its role	As required	As required	As required
EPF Training Modules	As required	As required	As required
Review of ISC Training Provision	Implement	As required	As required
Relevant LOLA Modules covering CIPFA and TPR Single Code	Ongoing	Ongoing	Ongoing
PLSA LA Conference	Annual	Annual	Annual
LGPS Governance Conference	Annual	Annual	Annual
Attendance at training days for Board Members	As required	As required	As required
Any other Governance training as necessary	As required	As required	As required



# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Funding



### Objectives

We aim to:

- Recognise in drawing up its funding strategy the desirability of Employer contribution rates that are as stable as possible;
- Prudently set levels of Employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement;
- Manage Employers' liabilities effectively, having due consideration of each Employer's strength of covenant, by the adoption, where necessary, of Employer specific funding objectives;
- Ensure consistency between the investment strategy and funding strategy;
- Maintain liquidity in order to ensure benefits can be met as and when they fall due over the lifetime of the Fund; and
- Adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other Employers and ultimately the tax payer from an Employer defaulting on its pension obligations to minimise unrecoverable debt on termination of Employer participation.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including strategic BAU	2023/24	2024/25	2025/26
<b>Policies and Publications</b>			
Actuarial Valuation	As required	As required	Triennial
<b>Reviews</b>			
Actuarial Valuation	Implement	-	Triennial
Employer Risk Exercise	Ongoing	Ongoing	Ongoing
Employer Risk Policy	Explore	-	-
Longevity Analysis of Fund	-	-	Triennial
Interim Funding review	Annual	Annual	-
Employing Authority discretions and delegations	As required	As required	As required
McCloud Preparation/Implementation	Expected/ Implement*	Implement*	Ongoing*
Employer Training Webinars	Ongoing	Ongoing	Ongoing
<b>Procurements</b>			
Actuarial Contract review	Review	-	Retender preparation

\*Pending Regulatory Change

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Internal Staff Resources and Support from Third Party Suppliers

To deliver the above activities and BAU, the internal staff resources and support from third party suppliers are as follows:

Internal Staff Resources	FTE*
Director for Essex Pension Fund	0.10
Investment Team	-
Funding Team	6.30
Compliance Team	-
Administration Team	-
Technical Team	0.20
Systems Team	0.75
<b>Total</b>	<b>7.35</b>

\*These are estimated figures and are subject to change.

### Support from Third Party Suppliers

External Third Party Support
Barnett Waddingham LLP - Fund Actuary
Hymans Robertson LLP - Institutional Investment Consultant (IIC)

### Budget

To deliver the above activities in 2023/24, the budget allocated for third party support is £110k.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Training

Training offered/delivered to our Committee/Board Members/Fund Employers to increase knowledge, enabling robust decision making:

Training	2023/24	2024/25	2025/26
Formal Induction/Refresher training to ensure the PSB/ISC can carry out its role as decision maker	As required	As required	As required
Formal Induction/Refresher training to ensure the PAB can carry out its role	As required	As required	As required
Actuarial Valuation training	-	-	Triennial
Funding Strategy Statement training	-	-	Triennial
Interim Valuation training	Annual	Annual	-
EPF Training Modules	As required	As required	As required
Any other Employer/Funding training as necessary	As required	As required	As required
Employer Forum/Webinar	As required	As required	As required

### On the Horizon

- Cost Cap Mechanism
  - ◇ potential work for the Fund to revisit contribution rates and/or benefit changes back to 2019. SAB proposals included lower contribution rates for lower earners and a £75k minimum death-in-service death grant. The Government has been taken to court for including remedy costs in the mechanism, therefore making Scheme Members pay for the Government's age discrimination.

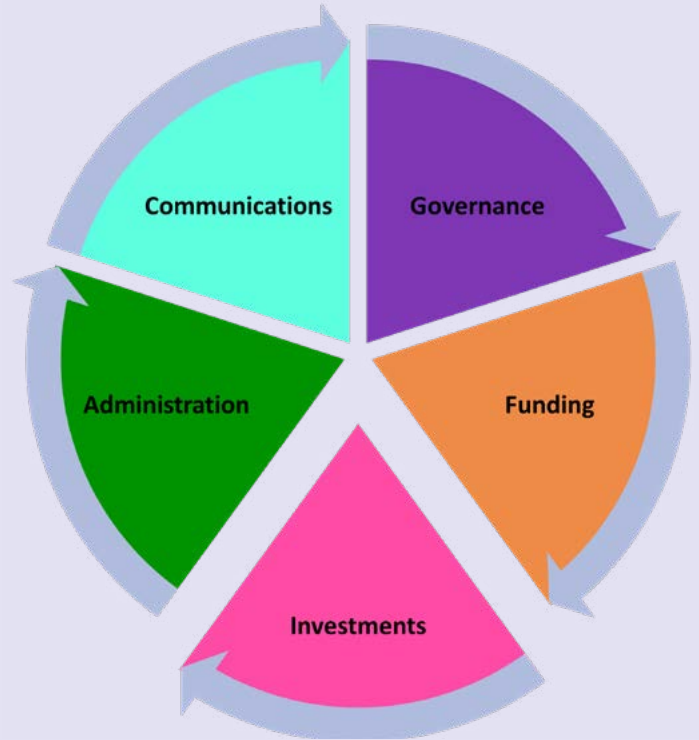
\*Any projects listed under 'On the Horizon' that are formally published throughout the year will be added to the Quarterly Pension Fund Activity Report presented to the PSB.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Investments



### Objectives

We aim to:

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

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including Strategic BAU	2023/24	2024/25	2025/26
<b>Policies and Publications</b>			
Investment Strategy Statement review including Responsible Investment (RI) Policy	Triennial	-	-
Reporting on RI	Annual	Annual	Annual
Investment Managers Engagement Strategy	Ongoing	Review	Ongoing
<b>Reviews</b>			
Treasury Management Strategy	Annual	Annual	Annual
Strategic Asset Allocation (including Impact Investing)	Biannual	Biannual	Biannual
Asset/Liability Study (Total Fund Assessment)	Triennial	-	-
ACCESS collaboration	Ongoing	Ongoing	Ongoing
Individual Manager review (on an exceptional basis)	Quarterly	Quarterly	Quarterly
CEM Benchmarking/Cost Transparency	Annual	Annual	Annual
Signatory of the Financial Reporting Council (FRC) UK 2020 Stewardship Code	Annual	Annual	Annual
Annual review of all investment managers' compliance with the Fund's RI and Stewardship Policy	Ongoing	Ongoing	Ongoing
Climate Change Policy Objectives and Metrics (Task Force for Climate related Financial Disclosures (TCFD))	As required	As required	As required
PLSA Responsible Investment Quality Mark (RIQM)	Explore	-	-
Voting Policies (in line with ACCESS)	Explore/Develop	Implement	-
Annual Investment Scorecard	Annual	Annual	Annual
<b>Procurements</b>			
Institutional Investment Consultant review	Review	-	Retender



# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including Strategic BAU	2023/24	2024/25	2025/26
<b>Procurements</b>			
Institutional Investment Consultant – CMA review	Annual	Annual	Annual
Independent Investment Adviser review	Retender	-	-
External RI Adviser Exploration	Continued exploration	Potential Implementation	-

### Internal Staff Resources and Support from Third Party Suppliers

To deliver the above activities and BAU, the internal staff resources and support from third party suppliers are as follows:

Internal Staff Resources	FTE*
Director for Essex Pension Fund	0.10
Investment Team	2.50
Funding Team	-
Compliance Team	-
Administration Team	-
Technical Team	0.20
Systems Team	0.20
<b>Total</b>	<b>3.00</b>

\*These are estimated figures and are subject to change.

### Support from Third Party Suppliers

#### External Third Party Support

Hymans Robertson LLP - Institutional Investment Consultant (IIC)
Mark Stevens - Independent Investment Adviser (IIA)
Northern Trust - The Fund's Global Custodian
Barnett Waddingham LLP - Fund Actuary
Link Fund Solutions - ACCESS

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Budget

To deliver the above activities in 2023/24, the budget allocated for third party support is £1.01m\*.

\*includes participation within ACCESS

### Training

Training offered/delivered to our Committee/Board Members to increase knowledge, enabling robust decision making:

Training	2023/24	2024/25	2025/26
Formal Induction/Refresher training to ensure the PSB/ISC can carry out its role as decision maker	As required	As required	As required
Formal Induction/Refresher training to ensure the PAB can carry out its role	As required	As required	As required
Bite size Training by Asset Class	Quarterly	Quarterly	Quarterly
Investment Strategy Statement Training	Triennial	-	-
Responsible Investment Training	Ongoing	Ongoing	Ongoing
Asset / Liability Study Training	Triennial	-	-
Review Investment Management Fees / Cost Transparency	Annual	Annual	Annual
Market Commentary	Quarterly	Quarterly	Quarterly
Treasury Management (Cash Flow) Training	As required	As required	As required
EPF Training Modules	As required	As required	As required
LAPFF Members' Meetings	Quarterly	Quarterly	Quarterly
LAPFF Annual Conference	Annual	Annual	Annual
LGC Investments and Pensions Summit	Annual	Annual	Annual

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Training	2023/24	2024/25	2025/26
LGC Investment Seminar	Annual	Annual	Annual
Investment & Training Seminar	-	-	Triennial
ACCESS Investor Days/Training Requirements in Relation to Pooling	Biannual	Biannual	Biannual
Any other investment training as necessary	As required	As required	As required

### On the Horizon

- Structural Reform of the LGPS: Pooling of Investments.
  - ◇ Working collaboratively with ACCESS (which is made up of 10 other local authorities) to pool the Fund's investments. Over the coming months ACCESS will be working towards establishing suitable solutions to pool the illiquid assets of the funds.
  - ◇ DLUHC is expected to issue further Pooling Guidance which may impact on the current arrangements.

\* Any projects listed under 'On the Horizon' that are formally published throughout the year will be added to the Quarterly Pension Fund Activity Report presented to the PSB.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Administration



### Objectives

We aim to:

- Deliver a high quality, friendly and informative service to all beneficiaries and Employers at the point of need;
- Ensure contribution income is collected from the right people at the right time in the right amount;
- Ensure benefits are paid to the right people at the right time in the right amount; and
- Ensure the Fund Employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund's agreed policies and procedures.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including Strategic BAU	2023/24	2024/25	2025/26
<b>Policies and Publications</b>			
Administration Strategy	-	Review	-
Data Retention Policy	Develop	Implement	-
<b>Review</b>			
LGPS Reform / Changes to Scheme / Planning for Administration changes	Ongoing	Ongoing	Ongoing
Pensions Single payments	Implement - Phase 1	Implement - Phase 2	-
Greater Digitalisation of the Fund including Member Online and Employer Online	Ongoing	Ongoing	Ongoing
Administering Authority Discretions	-	-	Review
McCloud Preparation/Implementation	Expected*	Implement*	Implement*
National Pensions Dashboard Legislation	Expected*	Implement*	Implement*
Monthly Returns Digital Transformation	Implement	-	Review

\*Pending Regulatory Change

### Internal Staff Resources and Support from Third Party Suppliers

To deliver the above activities, the internal staff resources and support from third party suppliers are as follows:

Internal Staff Resources	FTE*
Director for Essex Pension Fund	0.10
Investment Team	-
Funding Team	-
Compliance Team	0.50
Administration Team	34.50
Technical Team	3.40
Systems Team	11.80
<b>Total</b>	<b>50.30</b>

\*These are estimated figures and are subject to change.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Support from Third Party Suppliers

#### External Third Party Support

Aon - Independent Governance Administration Adviser (IGAA)
Civica - Administration System
Adare - Printing
Faraday - Tracing Bureau
Lexis Nexis - Tracing Agency
Barnett Waddingham LLP - Fund Actuary

### Budget

To deliver the above activities in 2023/24, the budget allocated for third party support is £915k.

### Training

Training offered/delivered to our Committee/Board Members/Fund Employers/Fund Members to increase knowledge, enabling robust decision making:

Training	2023/24	2024/25	2025/26
Formal Induction/Refresher training to ensure the PSB/ISC can carry out its role as decision maker	As required	As required	As required
Formal Induction/Refresher training to ensure the PAB can carry out its role	As required	As required	As required
Road Shows / Surgeries / Webinars	Ongoing	Ongoing	Ongoing
Monthly Return Workshops	As required	As required	As required
Employer Online Workshops	As required	As required	As required
EPF Training Modules	As required	As required	As required
Any other administration / regulatory training as necessary	As required	As required	As required



# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### On the Horizon

- Cost Cap Mechanism
  - ◇ potential work for the Fund to revisit contribution rates and/or benefit changes back to 2019. SAB proposals included lower contribution rates for lower earners and a £75k minimum death-in-service death grant. The Government has been taken to court for including remedy costs in the mechanism, therefore making Scheme Members pay for the Government's age discrimination.
- Goodwin
  - ◇ Due to the court cases and resulting scheme changes, survivor benefits will need to be revisited and recalculated when Regulations have been amended.
  - ◇ A consultation on Regulation changes is expected.
- National Minimum Pension Age
  - ◇ The increase in the National Minimum Pension Age to 57 in 2028 is likely to result in an increase in workload due to system changes and communications to Scheme Members.

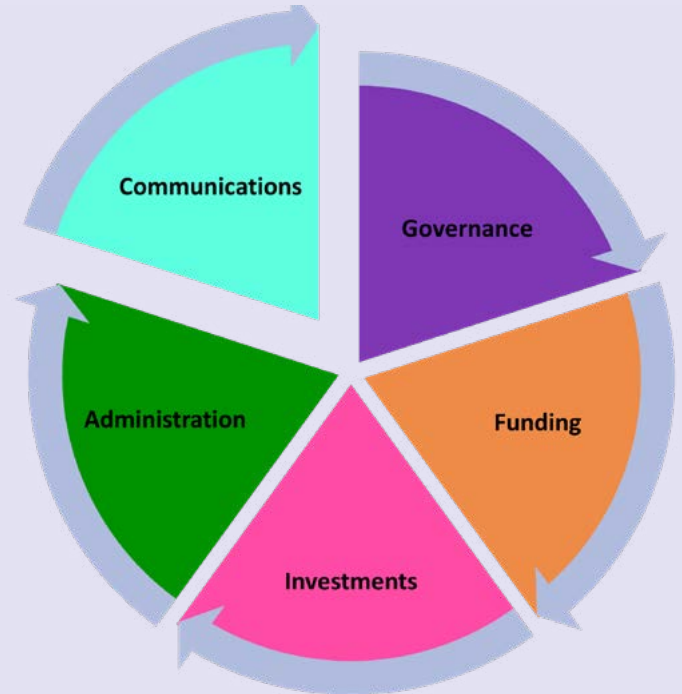
\* Any projects listed under 'On the Horizon' that are formally published throughout the year will be added to the Quarterly Pension Fund Activity Report presented to the PSB.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Communications



### Objectives

We aim to:

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally;
- Ensure our communications are useful and easy to follow;
- Deliver information in a way that suits all types of stakeholders including providing more accessibility through greater use of technology; and
- Aim for full appreciation of the pension scheme benefits and changes to the Scheme by all the Scheme Members, prospective Scheme Members and Employers.

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



Area of Activity including Strategic BAU	2023/24	2024/25	2025/26
<b>Policies and Publications</b>			
Communications Policy	-	-	Review
Stakeholder Engagement Strategy	-	Review	-
<b>Reviews</b>			
LGPS Reform / Communications of: Consultations / Changes to the Scheme	Ongoing	Ongoing	Ongoing
Greater Digitalisation of the Fund including the exploration of Electronic Communications	Ongoing	Ongoing	Ongoing
McCloud Implications	Ongoing	Ongoing	Ongoing
Social Media Channel	-	Review	-
Explore new Website Options	Commence	Implement	-
Digital Developments of Annual Benefit Statements	Annual	Annual	Annual
Fund Surveys	-	-	Review
<b>External Activities</b>			
Consultations (DLUHC, SAB, LGA etc)	As required	As required	As required
Board/Committee Task and Finish Groups	As required	As required	As required

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Internal Staff Resources and Support from Third Party Suppliers

To deliver the above activities, the internal staff resources and support from third party suppliers are as follows:

Internal Staff Resources	FTE*
Director for Essex Pension Fund	0.10
Investment Team	0.10
Funding Team	0.20
Compliance Team	0.50
Administration Team	0.25
Technical Team	1.00
Systems Team	1.00
<b>Total</b>	<b>3.15</b>

\*These are estimated figures and are subject to change.

### Support from Third Party Suppliers

#### External Third Party Support

Aon - Independent Governance Administration Adviser (IGAA)

Barnett Waddingham LLP - Fund Actuary

Hymans Robertson LLP - Institutional Investment Consultant (IIC)

### Budget

To deliver the above activities in 2023/24, the budget allocated for third party support and website procurement is £100k

# Essex Pension Fund

## Business Plan 2023/24 - 2025/26



### Training

Training offered/delivered to our Committee/Board Members to enabling robust decision making:

Training	2023/24	2024/25	2025/26
Formal Induction/Refresher training to ensure the PSB/ISC can carry out its role as decision maker	As required	As required	As required
Formal Induction/Refresher training to ensure the PAB can carry out its role	As required	As required	As required
Ad hoc Communications Training	As required	As required	As required
Media training	As required	As required	As required
Website training	As required	As required	As required

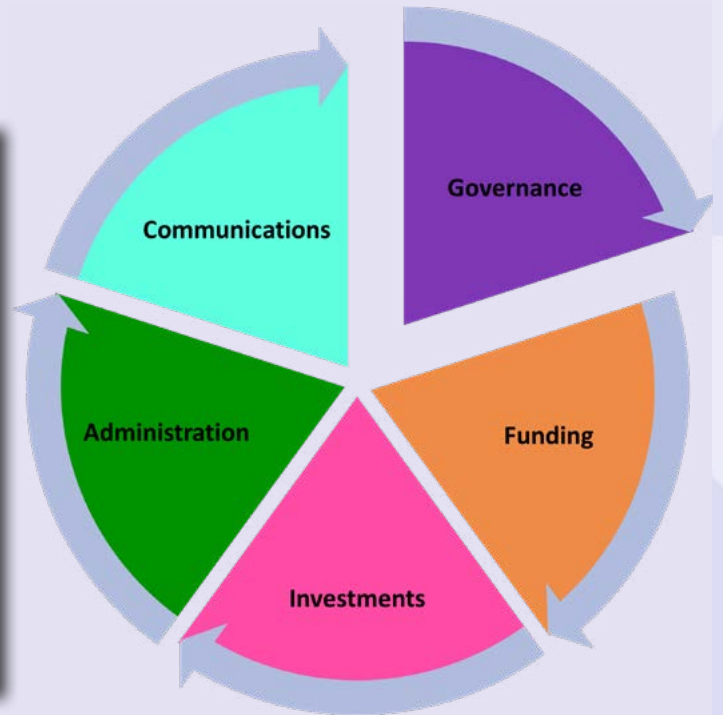
### On the Horizon

- Goodwin
  - ◇ Due to the court cases and resulting scheme changes, survivor benefits will need to be revisited and recalculated when Regulations have been amended.
  - ◇ A consultation on Regulation changes is expected.
- National Minimum Pension Age
  - ◇ The increase in the National Minimum Pension Age to 57 in 2028 is likely to result in an increase in workload due to system changes and communications to Scheme Members.

\* Any projects listed under 'On the Horizon' that are formally published throughout the year will be added to the Quarterly Pension Fund Activity Report presented to the PSB.

# Business Plan Deliverables 2022/23

## Governance



## Objectives

We aim to:

- Provide a high-quality service whilst maintaining Value for Money;
- Ensure compliance with the LGPS regulations, other relevant legislation and The Pensions Regulator's Codes of Practice;
- Ensure the Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Evolve and look for new opportunities, ensuring efficiency at all times;
- Act with integrity and be accountable to our stakeholders;
- Understand and monitor risk and compliance;
- Continually measure and monitor success against our objectives; and
- Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

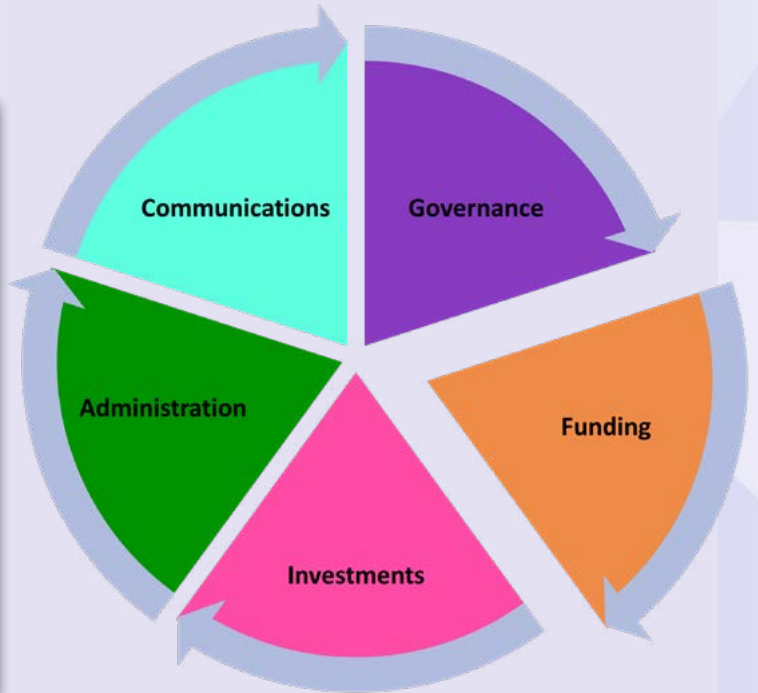


## Business Plan Deliverables 2022/23

Area of Activity including strategic BAU	2022/23	Status	Comments
<b>Policies and Publications</b>			
Business Plan & Budget	Annual		Complete
Terms of Reference for PSB/ISC/PAB	Annual		Complete
Conflict of Interest Policy	Review		Complete
Business Continuity Plan (including Cyber security) and Testing	Ongoing		Activity complete for 22/23. Continued testing of the Plan is scheduled throughout 22/23.
Statement of Accounts including compliance with CIPFA requirements	Annual		Complete
Stakeholder Engagement Strategy	Implement		Complete
PAB Workplan	Annual		Complete
PSB and PAB Member Appointments	As required		Complete
<b>Reviews</b>			
Fund's Strategic Objectives	As required		No changes were required during 22/23.
LGPS Reform / Consultations / Changes to the Scheme	Ongoing		Activity complete for 22/23.
AVC Review	As required		No changes were required during 22/23.

# Business Plan Deliverables 2022/23

## Funding



## Objectives

We aim to:

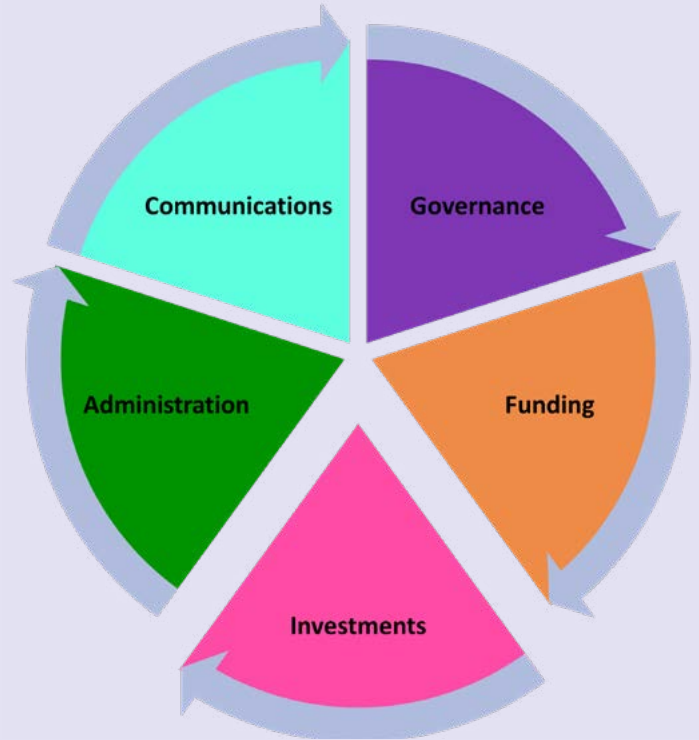
- Recognise in drawing up its funding strategy the desirability of Employer contribution rates that are as stable as possible;
- Prudently set levels of Employer contributions that aim to achieve a fully funded position in the timescales determined in the Funding Strategy Statement;
- Manage Employers' liabilities effectively, having due consideration of each Employer's strength of covenant, by the adoption, where necessary, of Employer specific funding objectives;
- Ensure consistency between the investment strategy and funding strategy;
- Maintain liquidity in order to ensure benefits can be met as and when they fall due over the lifetime of the Fund; and
- Adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other Employers and ultimately the tax payer from an Employer defaulting on its pension obligations to minimise unrecoverable debt on termination of Employer participation.

## Business Plan Deliverables 2022/23

Area of Activity including strategic BAU	2022/23	Status	Comments
<b>Policies and Publications</b>			
Funding Strategy Statement (including Flexibilities Policies)	Triennial		Complete
<b>Reviews</b>			
Actuarial Valuation (including review of assumptions)	Triennial		Complete
Employer Risk Exercise	Triennial		Activity complete for 22/23.
Longevity Analysis of Fund	Triennial		Complete
Employing Authority discretions and delegations	As required		Activity complete for 22/23.
McCloud Preparation/Implementation	Expected		Activity complete for 22/23.
Employer Training Webinars	Ongoing		Activity complete for 22/23.

# Business Plan Deliverables 2022/23

## Investments



### Objectives

We aim to:

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

## Business Plan Deliverables 2022/23

Area of Activity including Strategic BAU	2022/23	Status	Comments
<b>Policies and Publications</b>			
Reporting on RI	Annual	Complete	Activity complete for 22/23.
Investment Managers Engagement Strategy	Ongoing	Complete	Activity complete for 22/23.
<b>Reviews</b>			
Treasury Management Strategy	Annual	Complete	Complete. This was approved by the ISC at their 22 February 2023 meeting.
Strategic Asset Allocation	Biannual	Complete	Complete
ACCESS collaboration	Ongoing	Complete	Activity complete for 22/23.
Individual Manager review (on an exceptional basis)	Quarterly	Complete	Activity complete for 22/23.
CEM Benchmarking/Cost Transparency	Annual	Complete	Complete
Signatory of the Financial Reporting Council (FRC) UK 2020 Stewardship Code	Annual	Complete	Complete
Annual review of all investment managers' compliance with the Fund's RI and Stewardship Policy	Ongoing	Complete	Activity complete for 22/23.
Climate Change Policy Objectives and Metrics (Task Force for Climate related Financial Disclosures (TCFD))	Implement	Complete	Activity complete for 22/23.
PLSA Responsible Investment Quality Mark (RIQM)	Explore	Not Started	No longer applicable for 22/23.
Voting Policies	Explore/Develop	Complete	Activity complete for 22/23.
<b>Procurements</b>			
Institutional Investment Consultant – CMA review	Annual	Complete	Complete.
External RI Adviser Exploration	Continued exploration	Complete	Activity complete for 22/23.

# Business Plan Deliverables 2022/23

## Administration



### Objectives

- Deliver a high quality, friendly and informative service to all beneficiaries and Employers at the point of need;
- Ensure contribution income is collected from the right people at the right time in the right amount;
- Ensure benefits are paid to the right people at the right time in the right amount; and
- Ensure the Fund Employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund's agreed policies and procedures.



## Business Plan Deliverables 2022/23

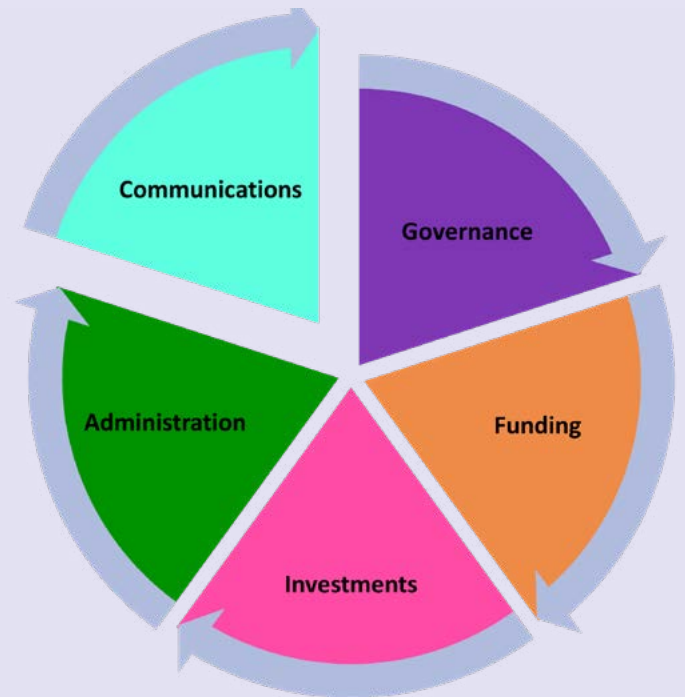
Area of Activity including Strategic BAU	2022/23	Status	Comments
<b>Policies and Publications</b>			
Data Retention Policy	Explore		Complete
<b>Review</b>			
LGPS Reform / Changes to Scheme / Planning for Administration changes	Ongoing		Activity complete for 22/23.
Pensions Single payments*	Implement		Activity complete for 22/23.
Greater Digitalisation of the Fund including Member Online and Employer Online	Ongoing		Activity complete for 22/23.
Administering Authority Discretions	Review		Activity complete for 22/23.
McCloud Preparation/Implementation	Expected**		Activity complete for 22/23.
Monthly Returns Digital Transformation	Implement		Activity complete for 22/23.

\*Pending Regulatory Change

\*\*Dependent on the new ECC Corporate Systems project being implemented

# Business Plan Deliverables 2022/23

## Communications



### Objectives

We aim to:

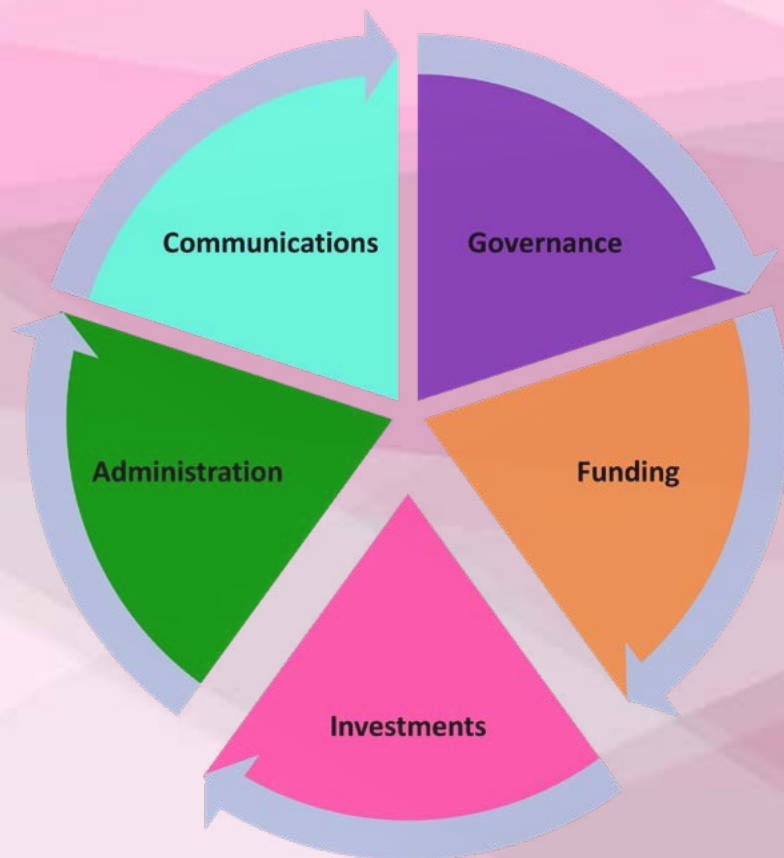
- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally;
- Ensure our communications are useful and easy to follow;
- Deliver information in a way that suits all types of stakeholders including providing more accessibility through greater use of technology; and
- Aim for full appreciation of the pension scheme benefits and changes to the Scheme by all the Scheme Members, prospective Scheme Members and Employers.

## Business Plan Deliverables 2022/23

Area of Activity including Strategic BAU	2022/23	Status	Comments
<b>Policies and Publications</b>			
Communications Policy	Review		Complete
Stakeholder Engagement Strategy	Implement		Activity complete for 22/23.
<b>Reviews</b>			
LGPS Reform / Communications of: Consultations / Changes to the Scheme	Ongoing		Activity complete for 22/23.
Greater Digitalisation of the Fund including the exploration of Electronic Communications	Ongoing		Activity complete for 22/23.
McCloud Implications	Ongoing		Activity complete for 22/23.
Explore new Website Options	Explore		Activity complete for 22/23.
Annual Benefit Statements	Annual		Complete
Fund Surveys	Review		Complete

## SECTION 2

## Investments



# Investment Strategy

*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 2022 the ISC agreed to replace the existing strategic implementation (derisking) stage-based process to a framework process, that would enable a new long-term target approach. Adopting this approach is said to smooth out the planned growth in the alternative allocation and removes the possibility of having to unwind any commitments as the target allocation to alternatives would remain constant, with targets subject to review after the triennial valuation takes place.

The Fund has committed to be Net Zero by 2050. As part of the 2022/23 Business Plan and Responsible Investment (RI) Project Plan for the year, the ISC have agreed that the Fund will measure three emission-based metrics. These are: total greenhouse gas emissions, carbon footprint and weighted average carbon intensity. In 2022/23, the Fund invested into the UBS Life Global Equity Sustainable Transition Fund and the Stafford Carbon Offset Opportunities Fund to support this.

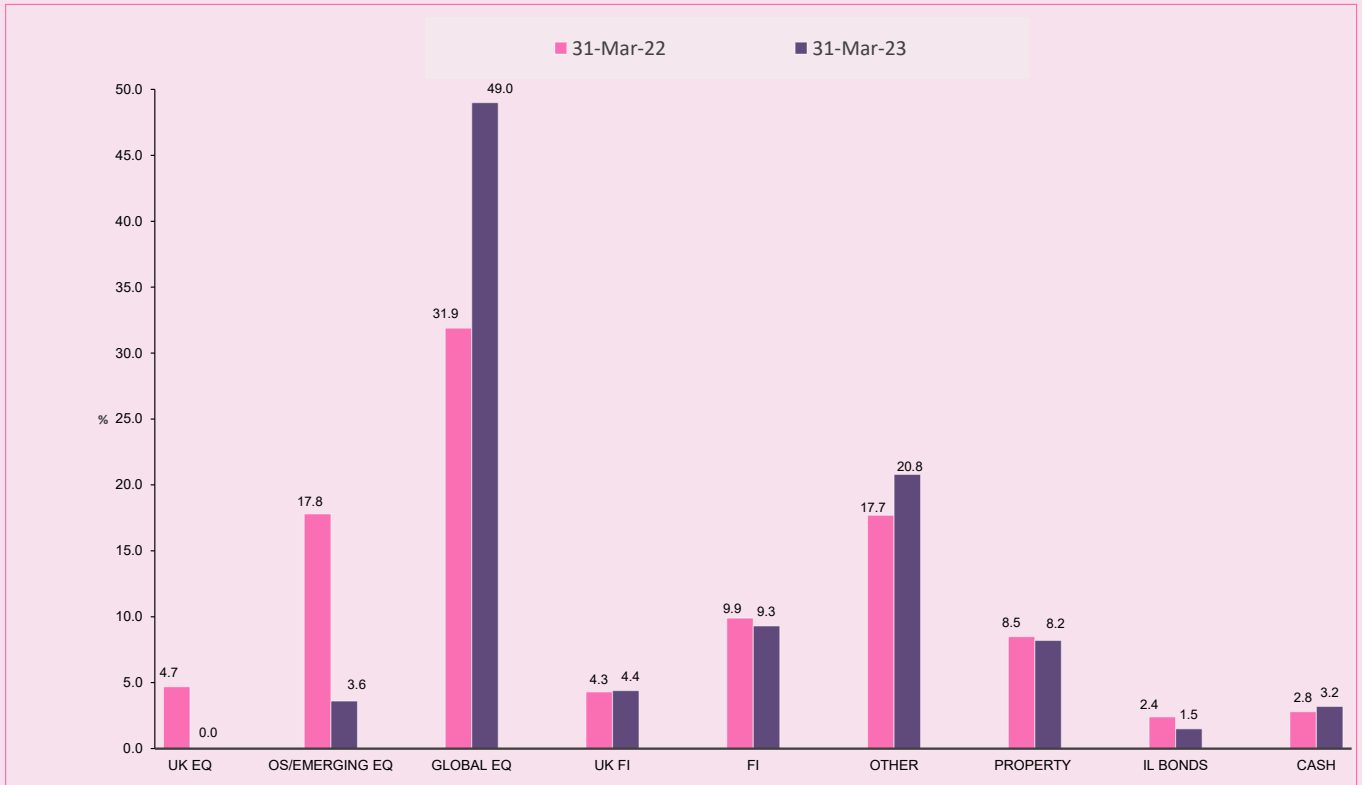
The table below shows the strategic allocation following the completion of stage one and two of the derisking programme, as well as the suggested amalgamated long term targets the fund is moving towards confirmed at the June 2022 meeting.

Asset Class	Original Strategic Allocation	Current Strategic Allocation	Proposed Target Allocation 21-22	Proposed Target Allocation 22-23
<b>Equities</b>	60%	50%	45%	42%
<b>Bonds</b>	13%	13%	18%	21%
<b>Alternatives</b>	27%	37%	37%	37%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

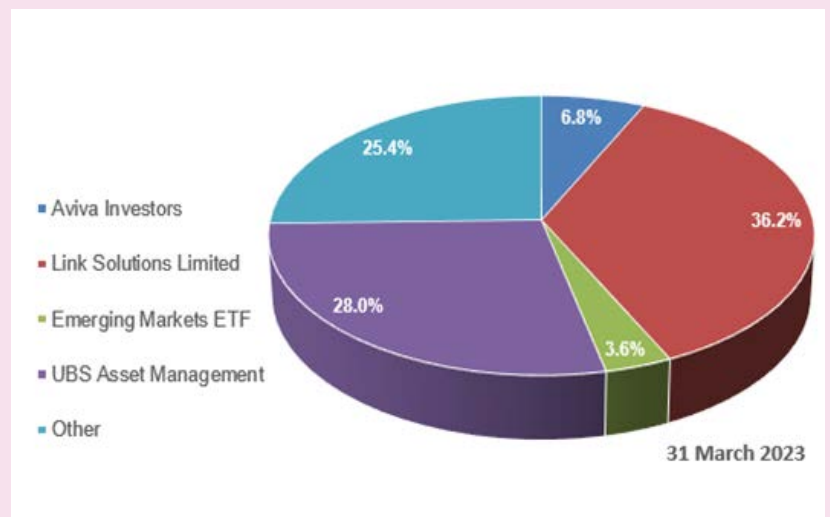
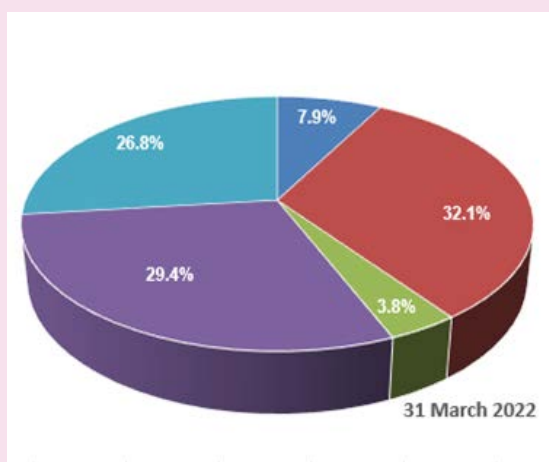
## Portfolio Distribution at 31 March

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

# Investment Strategy



The following graphs show the proportion of the Fund under management by Fund Manager as at 31 March.





# Investment Decisions



# ACCESS

Effective • Collective • Investment

During the year the Fund continued to work with its partnering Funds of ACCESS to explore how best ACCESS can assist the Fund in implementing its investment strategy. To this end the Fund has worked with ACCESS on potential emerging market equity, active bond solutions and work is well on the way in regard to pooling its illiquid assets. As at March 2023 the Fund had

transitioned **95%** of its liquid assets (**64%** of all assets) into the ACCESS pool. The ISC agreed that the remaining **5%** of liquid assets would be transitioned into two new emerging market sub funds when launched later in the year.

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 2022/23 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 2022/23.

## Equity

The Fund is a long-term investor and the investment beliefs contained within its Investment Strategy Statement include the following statement: Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds.

As at the end of the year **£110m** had been disinvested from Marathon Asset Management and used to fund the JP Morgan infrastructure drawdown. All remaining funds were invested into ACCESS's Baillie Gifford Long Term Global Equity Fund.

A **£1.5bn** investment was made to the UBS Life Global Equity Sustainable Transition Fund which was launched on 19th September 2022. This is part of the fund's Net Zero by 2050 objective.

## Largest 10 Directly Held Equity Holdings of the Fund as at 31 March 2023

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

# Investment Decisions

	Market Value 31 March 2023 £m	Proportion of the net assets of the fund %
MICROSOFT CORP COM	65.9	0.7
METHANEX CORP COM STK	59.8	0.6
IMPERIAL BRANDS PLC GBP 0.10	47.4	0.5
ASML HOLDING NV EUR 0.09	43.4	0.4
MEDTRONIC PLC COMMON STOCK	41.0	0.4
NVIDIA CORP COM	39.9	0.4
VISA INC COM CL A STK	38.2	0.4
BROADCOM INC COM	38.1	0.4
MARSH & MCLENNAN CO'S INC COM	37.8	0.4
GIBSON ENERGY INC COMM STK	32.0	0.3
<b>Total</b>	<b>443.5</b>	<b>4.5</b>

## Emerging Markets

Link are in the process of setting up two emerging market sub funds: Columbia Threadneedle and Robeco, following a successful procurement. A strategies analysis was carried out, where it was agreed that there would be a 50/50 split between both managers with an overall target allocation of **3.8%**.

## Bonds

The Fund disinvested in Goldman Sachs and replaced it with Janus Henderson's Multi Asset Credit Fund. This new fund, alongside M&G Alpha Opportunities are now the active cash plus bond mandates, with target allocations of **5.5%** to each strategy.

The Fund maintains a small (**2%**) allocation to Index Linked Gilts as part of its index tracking 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

During November 2022 the ISC agreed a further top up commitment of **£180m** would be made to bring the back the fund's global real estate asset allocation target to its intended **4%**. **£130m** was allocated to Partners Group global real estate mandate whilst the remaining **£50m** would be decided, once the outcome of the global real estate ACCESS procurement process was finalised.



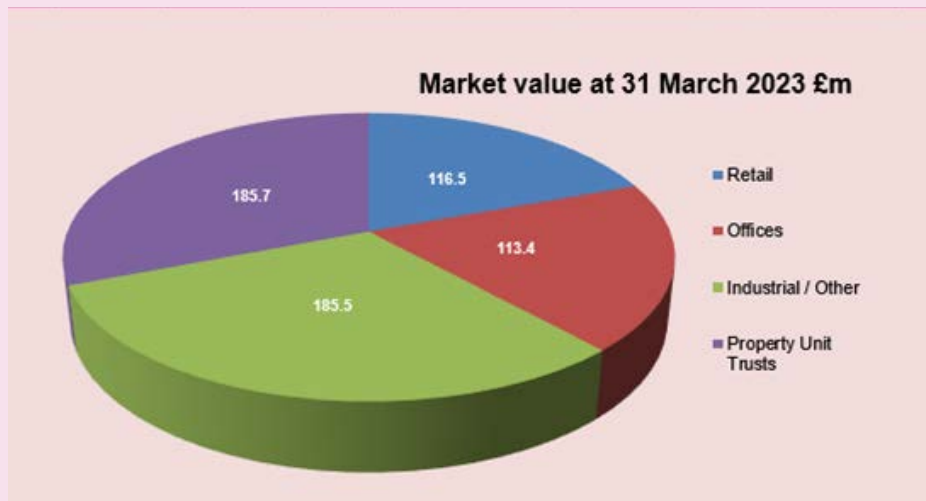
Stylus, 116 Old Street, London

# Investment Decisions

Despite this, the property mandate managed by Aviva continued to be restructured. The focus continues to be on larger holdings in fewer targeted markets where there is conviction that economic and demographic fundamentals will deliver long-term sustainable returns. To this end the Fund completed the sale of two properties totalling **c£26m** and one purchase in a retail unit for **£32.9m**.

More details in respect of the Fund’s UK property portfolio is shown below.

The first graph 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
Industrial	CANNING TOWN BUS PRK STEPHENSON STREET LONDON	70.60
Industrial	ORPINGTON GATEWAY, CRAY AVENUE, ORPINGTON, KENT, BR5 3PP	46.40
Offices	LONDON - ASDA HAYES MILLINGTON ROAD HAYES LONDON	32.94
Offices	201 DEANSGATE, 201 DEANSGATE MANCHESTER,LANCASHIRE UK.	32.30
Offices	KETT HOUSE STATION ROAD, CAMBRIDGE, CAMBRIDGESHIRE, UK	29.50

## Alternatives

### Infrastructure

The ISC continues to be a supporter of this asset class with ambition to target **10%** of its alternative allocation via a fund of fund approach and investing directly. The allocation is diversified and split between three investment managers: Partners Group; JP Morgan and IFM Investors.

The ISC in June 2022 confirmed the decision to top up one out of the three infrastructure managers by agreeing to allocate **\$70m** to Partners Group Global 2022 once launched. No further commitments were required for IFM and JP Morgan.

# Investment Decisions

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## Private Equity

The Fund has invested in this asset class for twenty years. As at 31 March 2023, the Fund's allocation continued to remain overweight, with the Fund targeting a strategic allocation of **4%**. This largely due to the positive point the Fund is within the J curve.

The Fund continued its commitment to investing in new private equity opportunities with agreeing to make a further commitment of **£70m** during 2022/23. This was a **£10m** increase from the prior year's annual commitment as a result of the appreciation of the Fund over the year in order 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. Nine new partnerships were invested in during the year taking the number of private equity partnerships to One Hundred and Twenty.

## 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 index funds managed by its passive provider, UBS Asset Management. The ISC are currently keeping this under review.

## Timber

Like infrastructure, the Committee as part of its derisking programme increased the strategic allocation to timber. The ISC took the opportunity to commit at its October 2022 meeting **£100m** to Stafford Carbon Offset Opportunities Fund as a means of starting the fund's impact investment journey, alongside another **£60m** to SIT X. This is aimed to help with hitting the strategic allocation target of **4%**.

Overall, at the end of the year, good progress had been made in regards to Timber investment with a further **24%** of the total commitment drawn down during the year and therefore, **23%** of the commitments remaining.

## Private debt

The Fund currently has two direct lending mandates managed by Alcentra and Permira respectively. Both mandates have a **2.5%** allocation.

The Fund invests mainly via direct lending funds with Alcentra.

Permira were appointed during 2021 to manage **2.5%** of the Fund and to complement the existing European focused strategy managed by Alcentra. At the end of the year progress had been made with **30%** of the commitment drawn down, with **70%** of the commitments remaining.

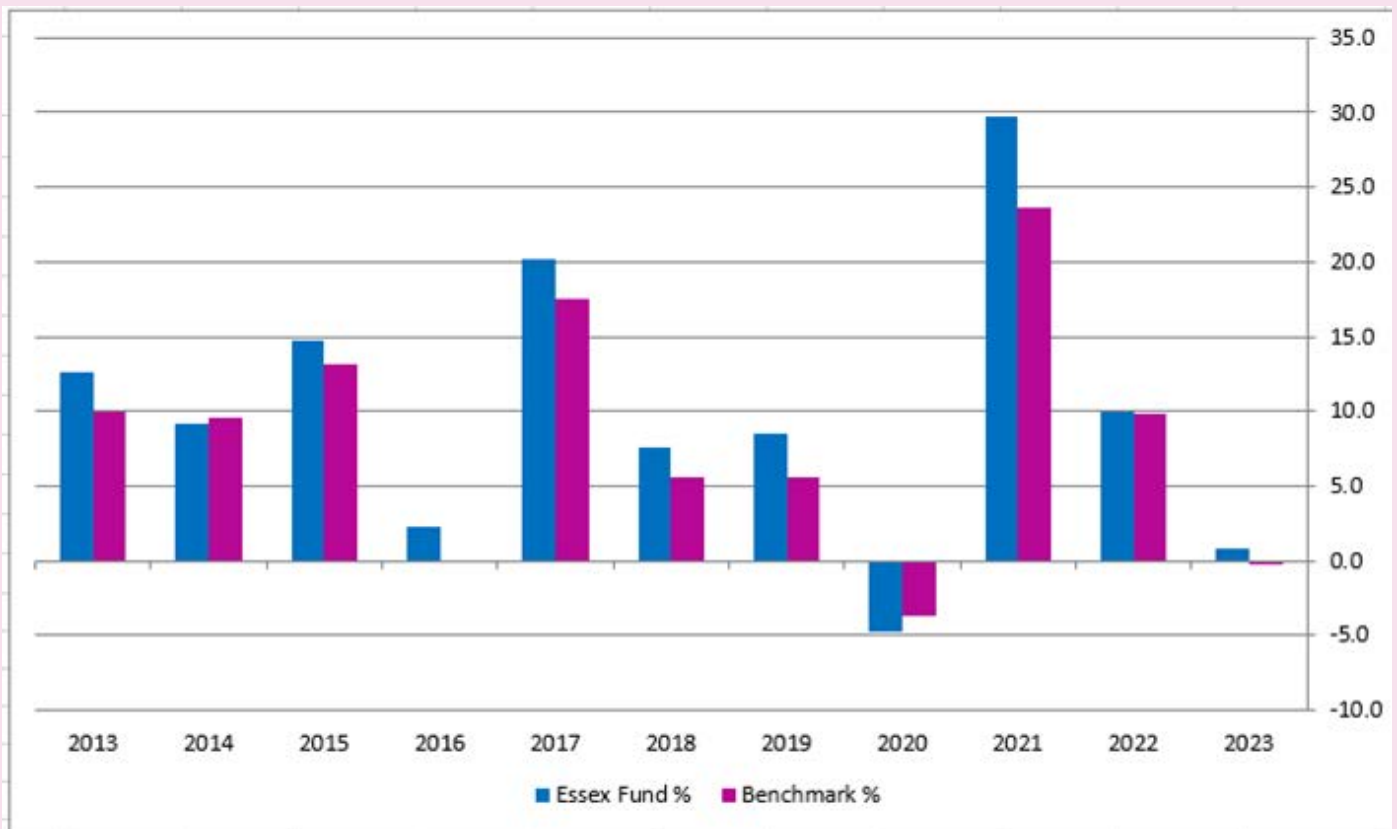
## Investment Performance 2022-23

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 and Adviser 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 2022/23 was **0.8%** compared to the customised benchmark of **-0.3%**.

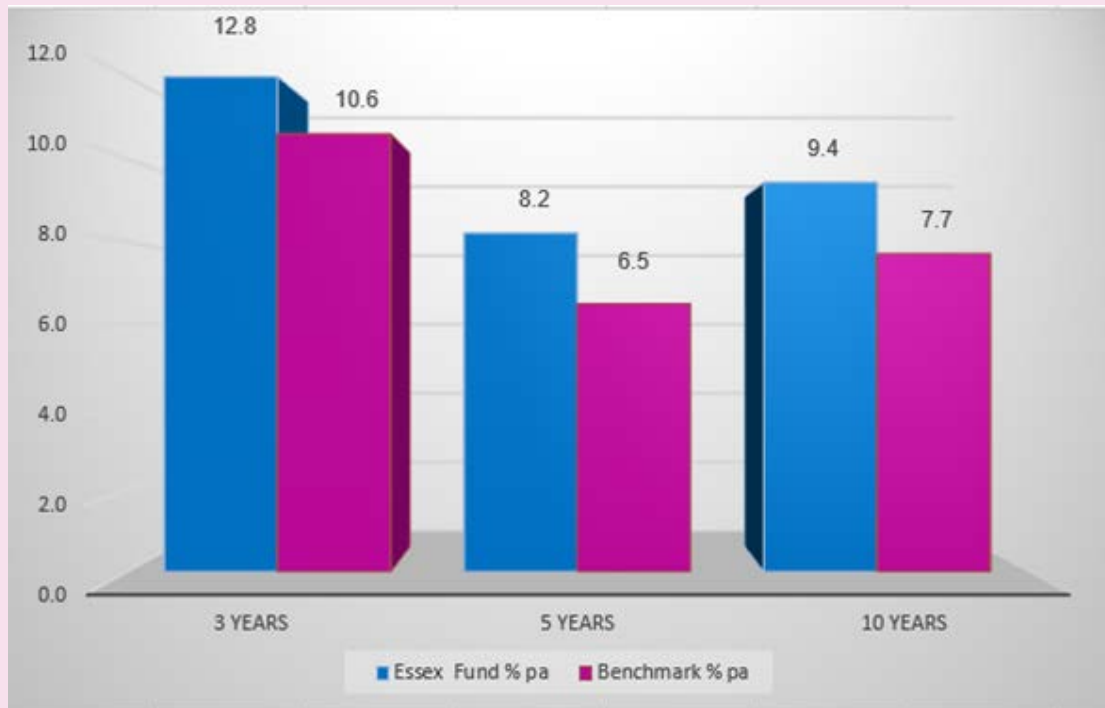


2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
12.6	9.2	14.8	2.2	20.1	7.6	8.5	-4.8	29.7	9.9	0.8
9.9	9.5	13.1	-0.1	17.6	5.5	5.6	-3.8	23.7	9.8	-0.3



# Investment Performance 2022-23

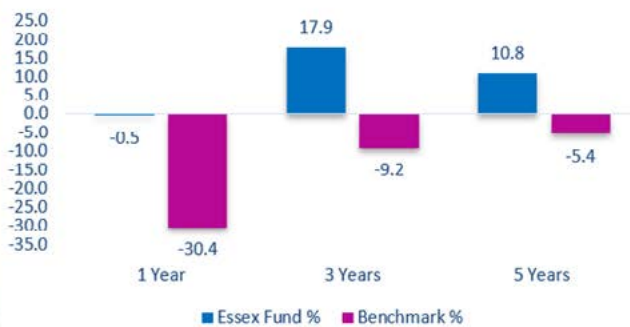
The below table shows the long term performance of the Fund and the variation against the benchmark:



## Returns by Asset Class

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

### UK Equities



### Overseas Equities





# Investment Performance 2022-23

## Bonds



## Index Linked Bonds :



## Property



# Investment Performance 2022-23

## 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 2023.

### Equity Managers



### Bond Managers





**SECTION 3**

**Adminstration**



# Membership Summary

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

31 March 2022		31 March 2023
54,433	Contributors	59,160
48,121	Pensioners	49,770
77,268	Deferred Pensioners	72,337
<b>179,822</b>	<b>Total</b>	<b>181,267</b>

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

The table below breaks down membership by employer as at 31 March:

31 March 2022		31 March 2023
<b>743</b>	<b>Number of Employers in scheme</b>	<b>770</b>
	<b>Number of Contributors in scheme</b>	
7,413	County Council	7,382
47,020	Other Employers	51,778
<b>54,433</b>	<b>Total Contributors</b>	<b>59,160</b>
	<b>Number of Pensioners</b>	
18,363	County Council	18,562
29,758	Other Employers	31,208
<b>48,121</b>	<b>Total Pensioners</b>	<b>49,770</b>
	<b>Number of Deferred Pensioners</b>	
27,236	County Council	26,090
50,032	Other Employers	46,247
<b>77,268</b>	<b>Total Deferred Pensioners</b>	<b>72,337</b>

# Membership Summary

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In 2022-23 there have been 2,624 new pensions paid, which are analysed below:

Retirement Type	Number of Retirements
Ill Health	113
Normal	733
Early	1,778
<b>Total</b>	<b>2,624</b>



## 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	2020/21 KPI (%)	2021/22 KPI (%)	2022/23 KPI (%)
Letter detailing transfer in quote issued within 10 working days	91.3	93.7	95.1
Letter detailing transfer out quote issued within 10 working days	95.7	95.9	96.0
Letter detailing process of refund and payment made within 10 working days	95.1	95.2	95.7
Letter notifying estimated retirement benefit amount within 15 working days (Active)	98.4	98.0	98.1
Letter notifying estimated retirement benefit amount within 15 working days (Deferred)	97.0	96.9	95.7
Letter notifying estimated retirement benefit amount within 15 working days (Total)	97.5	97.3	96.0
Letter notifying actual retirement benefit amount within 15 working days (Active)	99.3	99.1	98.9

## Key service standards for scheme members

Type of work	2020/21 KPI (%)	2021/22 KPI (%)	2022/23 KPI (%)
Letter notifying actual retirement benefit amount within 15 working days (Deferred)	98.4	98.1	98.0
Letter notifying actual retirement benefit amount within 15 working days (Total)	98.8	98.6	98.4
Letter acknowledging death of active / deferred / pensioner member within 5 working days	99.9	99.8	99.9
Letter notifying the amount of dependents benefits within 10 working days	98.3	98.4	98.2
Process and pay lump sum retirement grant within 15 working days (Active)	99.2	99.2	98.9
Process and pay lump sum retirement grant within 15 working days (Deferred)	98.6	98.2	97.9
Process and pay lump sum retirement grant within 15 working days (Total)	99.0	98.9	98.4

## Key service standards for scheme members

Type of work	2020/21 KPI (%)	2021/22 KPI (%)	2022/23 KPI (%)
Letter detailing cash equivalent value and other benefits for a divorce quote within 45 days	97.0	96.9	98.3
Letter detailing cash equivalent value and application of Pension Sharing Order for a divorce settlement within 15 days	92.3	90.9	100.0
Send notification of joining the LGPS to new scheme member within 40 days	99.7	99.8	99.8
Process and pay lump sum retirement grant for deferred benefits into payment within 15 working days	98.6	98.2	97.9
Calculate and notify deferred benefits within 30 working days	90.2	90.9	91.0

# Scheme Details

Essex Pension Fund administers the Local Pension Scheme (LGPS), on behalf of Essex County Council, for employees of County, Borough, District and Unitary Councils, and over 770 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 with 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 scheme membership and pensionable pay (normally the pensionable pay 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 1/80 x Membership up to 31 March 2008, plus  
Final Pay x 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 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 1/98. The pre 2014 retirement benefits are unaffected by this option.

# Scheme Details

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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 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:

- 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
- as a result of ill-health or infirmity of mind or body, is not immediately capable of undertaking any gainful employment.
- 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.

# Scheme Details

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## 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 retiring after 31 March 2014\*

Spouse's, partner's and dependant children's pensions are payable as above. If the pension has been in payment for less than 10 years, the balance of 10 years' pension 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.

## Further information

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](http://www.essexpensionfund.co.uk).

The Director for 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](mailto:pensionenquiries@essex.gov.uk)).



# Participating Employers of the Fund

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## **Administering Authority**

Essex County Council

## **Scheduled**

Basildon District Council

Braintree District Council

Brentwood Borough 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 City Council

Tendring District Council

Thurrock Borough Council

Uttlesford District Council

Anglia Ruskin University

Chelmsford Fe College

Colchester Borough Homes Ltd

Colchester Institute

Essex Chief Constable

Essex Fire Authority

Harlow College

Police and Fire Crime Commissioner

Seecat

South Essex Homes Ltd

The Sixth Form College, Colchester

USP College

Writtle Agricultural College

## **Academies**

Abbots Hall Primary School

Abbotsweld Primary Academy

Academies Enterprise Trust

Acorn Academy

Alderton Infant School

Alderton Junior School

Alec Hunter Academy

Alton Pak Academy

Anglo European Academy

Appleton Academy, The

Arthur Bugler Primary School

Ashingdon Academy

Aveley Primary School

Bardfield Primary & Nursery School

Barling Magna Community Primary School

Barnes Farm Infant School

Barnes Farm Junior School

Basildon Lower Academy

Basildon Upper Academy

## Participating Employers of the Fund

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Beacon Hill Academy	Buttsbury Academy
Beaulieu Park School, The	Camulos Academy
Beckers Green Primary School	Cann Hall Academy
Belchamp St Paul C of E Primary School	Castle View School
Belfairs Community College Academy	Castledon School Academy Trust
Belmont Castle (Previously Stifford Primary)	Cecil Jones Academy
Benyon Primary School	Chadwell St Mary Primary School
Berlesduna Academy Trust	Chafford Hundred Primary
Billericay Academy	Chase High School
Blenheim Primary School & Children's Centre	Chelmer Valley High Academy
BMAT Academy	Chelmsford High School for Girls
Bocking Primary School	Chelmsford Learning Partnership
Bonnygate Primary School	Cherry Tree Academy
Boswells Academy	Cherry Tree Primary School Basildon
Bournemouth Park Primary School	Chigwell Primary Academy
Bournes Green Infant School	Chigwell Row Infant School
Bournes Green Junior School	Chipping Ongar Primary School
Braiswick Primary Academy	Christus Catholic Trust
Brentwood County High School	Clacton Coastal Academy
Brentwood Ursuline Academy	Clacton County Academy
Briscoe Primary And Nursery	Colchester Academy
Bromfords Academy, The	Colchester High Girls Academy
Buckhurst Hill Community Primary School	Colchester Royal Grammar Academy
Bulphan C of E Primary School	Colne Community Academy
Burnt Mill Academy	Colne Engaine Cof E Primary School
Burrsville Infant School	Columbus Academy

## Participating Employers of the Fund

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Cooks Spinney Academy	Finchingfield St John' C of E Primary Academy
Cornelius Vermuyden School	Fitzwimarc School, The
Corringham Primary School	Flitch Green Academy
Crays Hill Primary School	Ford End C of E Primary
Cressing Primary School	Forest Hall School
Darlinghurst Academy	Freshwaters Academy
Davenant Foundation Academy	Friars Primary School & Nursery
Deanes School, The	Gable Hall Academy
Debden C of E Primary Academy	Gateway Academy, The
Debden Park High Academy	Giffards Primary School
Deneholm Primary School	Gilberd Academy
De Vere Primary School	Glebe Primary School
Dilkes Primary Academy	Gosfield Community Primary School
Doddinghurst CofE Junior School	Graham James Primary Academy
Downs Primary School & Nursery, The	Great Baddow High Academy
East Tilbury Primary and Nursery	Great Berry Academy
Eastwood Academy	Great Clacton C of E Junior School
Edwards Hall Primary	Great Wakering Primary Academy
Elm Hall Primary School	Greensted Primary School
Endeavour Coop Academy	Greensward Academy
Epping St John's C of E School	Greenways Junior School
Epping Upland C of E School	Grove Wood Primary School
Fairhouse Primary School	Gt Chesterford Primary Academy
Fawbert & Barnard's Primary School	Hadleigh Infant & Nursery Academy
Feering C of E Primary School	Hadleigh Junior School Academy
Felmore Primary School	Hamford Primary School Academy

## Participating Employers of the Fund

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Hamstel Infant School & Nursery	Holy Cross Catholic Primary South Ockendon
Hamstel Junior School	Holy Cross RC Primary Academy
Harlowbury Primary School	Holy Family Catholic Primary School, Benfleet
Harris Academy Chafford Hundred	Holy Family Catholic Primary School, Witham
Harwich And Dovercourt Academy	Home Farm Primary School
Hassenbrook Academy Trust	Honywood Community Academy
Hatfield Heath Primary School	Horndon on the Hill CofE School
Hathaway Academy	Howbridge CofE Junior School
Hedingham Academy	Hutton All Saints Academy
Helena Romanes VI Form Academy	Hylands School Academy
Henry Moore Primary School	Iceni Academy
Hereward Primary School	Ivy Chimneys Primary School
Herringham Primary School Academy	James Hornsby High Academy
Heybridge Co-Operative Academy	Janet Duke Primary School
Heybridge Primary Academy	Jerounds Primary School
High Beech Primary School	John Ray Junior School
High Ongar Primary School	Jotmans Hall Primary Academy
Highwood Primary	Joyce Frankland Academy
Hillhouse C of E Primary School	Katherine Semar Infants School
Hilltop Infant School	Katherine Semar Junior School
Hilltop Junior Academy	Katherines Primary School
Hinguar Primary School	Kenningtons Primary Academy
Hockerill Academy	Kents Hill Infant Academy
Hockley Primary School	Kents Hill Junior Academy
Holland Park Academy	King Edmund Academy
Holt Farm Junior School	King Edward Grammar Academy

## Participating Employers of the Fund

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King Harold B And E Academy	Lyons Hall Primary School Academy
King John Academy	Magna Carta Primary Academy
Kings Road Primary School	Maldon Primary School
Kingsdown School	Maltese Road Primary School
Kingsmoor Primary Academy	Maltings Academy
Kingston Primary Academy	Manningtree High Academy
Kingswode Hoe School	Maple Grove School
Kirby Primary Academy	Margaretting CofE Primary School
Laindon Park Primary School	Mark Hall School
Lambourne Primary School	Market Field School
Lancaster School	Mayflower High School Academy
Langham Oaks School	Maylandsea Primary School
Lansdowne Primary School Academy	Meadgate Primary Academy
Larchwood Primary School	Merrylands Primary School
Larkrise Primary School	Messing Primary School
Latchingdon CofE Primary School	Mildmay Primary School
Latton Green Primary	Milwards Primary & Juniors
Lawford Mead School	Mistley Norman CofE Primary School
Lee Chapel Primary Academy	Monkwick Infant Academy
Leigh Beck Infant & Nursery Academy	Monkwick Junior Academy
Leigh Beck Junior School	Montgomerie Primary School
Limes Farm Infant School	Moulsham County Junior Academy
Little Parndon Academy	Moulsham High Academy
Little Thurrock Primary School	Moulsham Infants Academy
Longwood Primary Academy	Mountnessing Primary School
Lubbins Park Primary School	New Rickstones Academy

## Participating Employers of the Fund

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Newhall Primary Academy	Perryfields Infant School
Newlands Spring Primary Academy	Perryfields Junior School
Noak Bridge Primary School	Philip Morant Academy
North Crescent Primary School	Phoenix Primary School & Nursery, The
North East Essex Co-Operative Academy	Pioneer School, The
Northlands Primary School & Nursery	Plumberow Primary Academy
Northwick Park Primary & Nursery Academy	Plume Academy
Notley Green Academy	Porters Grange School
Notley High & Braintree Sixth Form	Potter Street Primary School
Oak View Special School	Powers Hall Junior School
Oaklands Infant School	Prince Avenue Primary Academy
Ockendon Academy, The	Purfleet Primary School
Olive AP Academy Thurrock	Purford Green School
Ongar Primary School	Purleigh Community Primary School
Ormiston Park Academy	Quarry Hill Academy
Ormiston Rivers Academy	R A Butlers Infants Academy
Orsett C of E Primary School	R A Butlers Junior Academy
Our Lady Immaculate Primary Academy	Ramsden Hall School
Our Lady of Lourdes Catholic Primary School	Ramsey Academy, Halstead, The
Our Lady of Ransom Catholic Primary School (Rayleigh)	Ravens Academy
Parkwood Academy	Rayleigh Primary Academy
Passmores Academy Trust	Rayne Primary and Nursery School
Paxman Academy	Richard de Clare Community School
Pear Tree Mead Academy	Richmond Avenue School
Pemberley Academy	Ridgewell C of E Primary School
	Rivenhall C of E Primary School



## Participating Employers of the Fund

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Robert Drake Primary Academy	Southchurch High School
Rochford Primary School	Southend High For Boys Academy
Roding Valley High School	Southend High Girls Academy
Rolph Church of England Primary School	Southminster CofE Primary School
Roseacres Primary School	Southview Primary School
Roxwell CofE Primary School	St Albans RC Primary Academy
Roydon Primary School (Academy)	St Andrew's C of E Primary School, Halstead
Runwell Primary Academy	St Andrews C of E Primary School, Great Yeldham
Ryedene Primary School	St Andrews Primary School, Weeley
Sacred Heart Catholic Primary School	St Bernards High Academy
Saffron Walden High Academy	St Cedds Primary School
Sandon Academy	St Christopher Academy
SEAX Trust	St Clare's RC Primary School, Clacton
SECAT (converted 01/09/2019)	St Cleres Co-Operative Academy
Shalford Primary School	St George's Catholic Primary School, Shoeburyness
Shaw Primary Academy	St Helena Academy
Shenfield High Academy	St Helen's Catholic Primary School, Westcliff-on-Sea
Shenfield St Marys Primary School	St Helens RC Junior Academy
Shoeburyness Academy	St James Cof E Primary School, Colchester
Sigma Trust	St James CofE Primary School, Harlow
Silver End Academy	St John's C of E Primary School, Buckhurst Hill
Sir Frederick Gibberd College	St John Fisher Catholic Primary School
Sir Martin Frobisher Academy	St Joseph's Catholic Primary, Harwich
Somers Heath Primary	
South Benfleet Primary Academy	
South East Essex Alliance MAT Central	

## Participating Employers of the Fund

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St Joseph Catholic Primary School, Stanford-Le-Hope

St Joseph's Catholic Primary School, Canvey Island

St Lukes RC Academy, Harlow

St Margaret's C of E Primary School, Bowers Gifford

St Marks West Essex Academy

St Martins High Academy

St Mary's C of E Primary, South Woodham Ferrers

St Mary's Catholic Primary School, Tilbury

St Marys Primary Academy, Kelvedon

St Nicholas C of E Primary School, Tillingham

St Nicholas School

St Osyth C of E Primary School

St Peter's Catholic Primary, Billericay

St Pius X Catholic Primary

St Teresa's Academy, Colchester

St Teresa's Catholic Primary School, Basildon

St Teresa's Catholic Primary School, Rochford

St Thomas More Academy, Colchester

St Thomas More Academy, Saffron Walden

St Thomas More High Academy

St Thomas of Canterbury Catholic Primary School, Grays

Stambridge Primary School

Stanford-Le-Hope Primary

Stanway Academy

Stapleford Abbots Primary Academy

Staples Road Primary School

Steeple Bumpstead Primary School

Stewards Academy

Stifford Clays Primary School

Stisted Primary Academy

Sutton House Academy

SWECET

Sweyne Park Academy

Tabor Science Academy

Takeley Primary School

Tany's Dell Primary School

Templars Primary & Nursery

Temple Sutton Primary School

Tendring Tech College Academy

Thameside Primary Academy

Theydon Bois Primary School

Thomas Lord Audley Academy

Thorpedene Primary School

Thriftwood Primary Academy

Thundersely Primary School

Thurstable Academy

Tilbury Pioneer Academy

Tiptree Heath Primary

## Participating Employers of the Fund

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Tollshunt D’Arcy St Nicholas CofE Primary School

Treetops School

Tudor Court Primary Academy

Two Village C of E Primary

Tyrrells Primary Academy

Unity Primary Academy

Victory Park Academy

Diocese of Chelmsford Vine schools

Waltham Holy Cross Primary Academy

Warren Primary School

Water Lane Primary Academy

Waterman Primary School

Wells Park School

West Hatch High Academy

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

White Hall Academy

Whitmore Primary School & Nursery

Wickford CofE Academy

William De Ferrers Academy

William Edwards Academy

William Martin C of E Infant School

William Martin C of E Junior School

William Read Primary School

Willow Brook Primary School and Nursery

Willows Primary School, The

Winter Gardens Academy

Woodham Ley Primary School

Woodlands School

Woodside Primary Academy

Woodville Primary School

Wyburns Primary School

Zenith Multi Academy Trust

### **Free/Studio Schools**

Beckmead Moundwood Academy (formerly Aspire Academy)

Becket Keys School Free School

BMAT STEM (formerly Sir Charles Kao)

Chatten Free School

Gateway Primary Free School

Grove House School

Harris Primary Academy Mayflower

Harris Academy Riverside Free School

The Hawthorns School

## Participating Employers of the Fund

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Ongar Academy

Southend YMCA Community Free School

St Luke's Park Primary School

Orsett Heath Academy

Thames Park Secondary School

The Trinity School

### **Community Admission Body**

Ardleigh Reservoir Committee

Braintree District Museum Trust

Brentwood Community Transport

Care Quality Commission

Changing Pathways (Basildon Women's Refuge)

Chelmer Housing Partnership

Chelmsford Citizens Advice Bureau

Chelmsford Community Transport

Chelmsford Council For Voluntary Services

Epping Forest Community Transport

Essex Association of Local Councils

Eastlight Community Homes (formerly Greenfields Community Housing Ltd)

Harlow District Sports Trust

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 Institute

Thurrock Community Leisure Ltd

Thurrock Lifestyle Solutions CIC

University Of Essex

University of Essex Commercial Services Ltd

Worthing Homes Ltd

### **Schools**

All Saints CofE VA Primary School (Great Oakley)

All Saints CofE (VC) Primary School

Beauchamps School

Bentley St Paul Church of England Voluntary Aided Primary School

Birch Church of England Voluntary Aided Primary School

Blackmore Primary School

Boxted St Peter's CofE VC Primary School

Bradfield School

Brightlingsea Primary School and Nursery

Brightside Primary School

## Participating Employers of the Fund

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Brinkley Grove Primary School	Harlow Fields School
Broomfield Primary School	Harwich Community Primary School & Nursery
Buttsbury Infants School	Hatfield Peverel Infant School
Cathedral School	Hazelmere Infants School & Nursery
Chase Lane Primary School	Hazelmere Junior School
Children's Support Centre, Langdon Hills	Heathlands Primary School, West Bergholt
Church Langley	Henham and Ugley Primary
Collingwood Primary School	Highfields Primary School, Manningtree
Copford C of E (VC) Primary School	Highwood Primary School
Danbury Park Community Primary School	Holland Haven Primary School
Dunmow St Mary's Primary School	Holt Farm Infant School
Earls Colne Primary School	Howbridge Infants School
Eastwood Primary School	Ingrave Johnstone CofE VA Primary School
Elmstead Market Primary School	Kelvedon Hatch Community Primary School
Elmwood Primary School	Kings Ford Infant School
Engaines Primary School	Kingswood Primary
Felsted Primary School	Langenhoe Community Primary School
Galleywood Infants School	Lawford Primary School
Glenwood School	Layer-De-La-Haye C of E Primary School
Great Bardfield School	Leverton Primary
Great Dunmow Primary School	Lexden Spring School
Great Easton C of E Primary	Lincewood Primary School, Basildon
Great Totham School	Little Waltham CofE VA Primary School
Great Waltham CofE Primary School	Mayflower Primary School
Hamilton County Primary School	Mersea Island Primary School
Hare Primary	Mildene Pirmary School

## Participating Employers of the Fund

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Millfield Primary School	St John's CofE Primary, Colchester
Millhouse Primary School	St Lawrence CofE Primary School
Milton Hall Primary School	St Katherine's CofE Primary School
Nazeing Primary School	St Mary's CofE Primary School
Parsons Heath CE Primary	St Michael's CofE Junior School
Prettygate Infants School	St Michael's Primary School and Nursery
Prettygate Junior School	St Peters CofE Primary, South Weald
Priory Primary School	St Thomas of Canterbury Infant, Brentwood
Queen Boudica Primary School	St Thomas of Canterbury Junior, Brentwood
Riverside Primary	Stanway County Primary School
Roach Vale Primary School	Stanway Fiveways Primary School
Rodings Primary School	Terling CofE Primary School
Sheering CofE Primary	Thaxted Primary School
Shorefields School	The Bishop William Ward CofE Primary
St Andrews CofE Primary School, Bulmer	Thomas Willingale Primary School
St Andrews Junior School, Hatfield Peverel	Tollesbury School
St Andrews Primary School, North Weald	Trinity Road Primary
St Aubyn Centre, Therapeutic Education Department	Trinity St Mary's CofE Primary School
St Benedicts College	Upshire Primary School
St Georges CofE Primary School	Walton Primary School
St George's School, Colchester	Westlands Community Primary School
St Giles CofE Primary School	Willowbrook Primary School Hutton
St Helen's RC Infant School	Wimbish Primary School
St John Green School	Wix & Wrabness Primary School
St John Payne RC School	Woodcroft Nursery School
	Woodham Walter Primary



## Participating Employers of the Fund

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Writtle Junior School

### **Transferee Admission Body**

APCOA

Aramark Ltd

Ashlyn Healthcare Ltd

Barnardos

Catering Academy Ltd

Dovercourt Healthcare Ltd

ECS Ltd Reablement South East

Elite Cleaning Services Ltd (Mayflower Primary)

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

Everyone Health Ltd

Fusion Lifestyle

Goldenley Healthcare Ltd

Harrison Catering Academy Ltd

Hertfordshire NHS Partnership Trust

Idverde Ltd (formerly English Landscapes)

Juniper Education (ECC Schools HR)

Juniper Education (ECC Schools Payroll)

L & L Cleaning Services Ltd (Ghyllgrove Infants)

Let's Do Business

Longfield Healthcare Ltd

Mears Limited

Mitie Security Limited

Mitie Technical Fm Ltd

Morgan Sindall Property Services

Pabulum Ltd Boswells

Pinnacle F M

Pinnacle FM (Thurrock)

Pinnacle Housing Ltd Basildon

Places for People Leisure Ltd

Ringway Jacobs Limited

Riverside Truck Rental Ltd Basildon

Schools Office Services

Skanska (Woodlands School)

SLM Charitable Trust (LM)

SLM Charitable Trust (SV)

SLM Health & Fitness (LM)

SLM Health & Fitness (SV)

Trafalgar UK Theatres Ltd (formerly HQ Theatres Ltd)

Update Infrastructure (UK) Ltd

Uttlesford Norse Services Ltd

## Participating Employers of the Fund

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Wettons Cleaning Services Ltd

### **Academy Pooled**

Aspens (AET)

Birkin Cleaning Services Ltd (Fitzwimarc School)

Cater Link Ltd (Glebe)

Cater Link Ltd (Hylands)

Cater Link Ltd (St Thomas More)

Caterlink Ltd (Willowbrook)

Chartwells (ATT)

Cleantec Services Ltd

Hertfordshire Catering Ltd (Templefields)

J & J Contract Cleaning Ltd

Kindred (Colchester Academy)

Kindred (Richmond Avenue)

Kindred FM (SWECET)

Kindred Holt Farm (formerly know as Ridge Crest Cleaning (Holt Farm))

L & L Cleaning Services Ltd (Silver End)

Lewis & Graves Partnership Ltd (Mayflower)

Lewis and Graves Partnership Ltd (St Bernards)

Pabulum Ltd (Bournemouth Park)

Pabulum Ltd (Chase High)

Pabulum Ltd (Portico)

Ridge Crest (Burnt Mill Academy Trust)

Sansum Cleaning Solutions (Staples Rd)

Sansum Solutions Group Limited

Town and Country Cleaners Ltd

### **Resolution Body**

Althorne Parish Council

Ardleigh Parish Council

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

Burnham On Crouch Town Council

Canewdon Parish Council

Canvey Island Town Council

Chappel Parish Council

Chignal Parish Council

Chigwell Parish Council

Coggeshall Parish Council

Copford with Easthorpe Parish Council

Danbury Parish Council

Earls Colne Parish Council

## Participating Employers of the Fund

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East Donyland Parish Council	Lawford Parish Council
Epping Town Council	Leigh On Sea Town Council
Feering Parish Council	Little Canfield Parish Council
Fordham Parish Council	Little Waltham Parish Council
Frinton & Walton Town Council	Little Yeldham Parish Council
Galleywood Parish Council	Loughton Town Council
Great Baddow Parish Council	Maldon Town Council
Great Bentley Parish Council	Mistley Parish Council
Great Chesterford Parish Council	Myland Community Council
Great Dunmow Town Council	Nazeing Parish Council
Great Easton & Tilty Parish Council	North Weald Parish Council
Great Horkesley Parish Council	Ongar Town Council
Great Notley Parish Council	Pebmarsh Parish Council
Great Wakering Parish Council	Pleshey Parish Council
Great Waltham Parish Council	Purleigh Parish Council
Great Yeldham Parish Council	Rayleigh Town Council
Halstead Town Council	Runwell Parish Council
Harwich Town Council	Saffron Walden Town Council
Hawkwell Parish Council	Sandon Parish Council
Herongate and Ingrave Parish Council	Sible Hedingham Parish Council
Heybridge Parish Council	Silver End Parish Council
Hockley Parish Council	South Hanningfield Parish Council
Hullbridge Parish Council	South Woodham Ferrers Town Council
Ingatestone & Fryerning Parish Council	Southminster Parish Council
Kelvedon Hatch Parish Council	Springfield Parish Council
Kelvedon Parish Council	St Osyth Parish Council

# Participating Employers of the Fund

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Stansted Mountfitchet Parish Council

Stanway Parish Council

Stock Parish Council

Stondon Massey Parish Council

Takeley 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 Bergholt Parish Council

West Mersea Town Council

Wickham Bishops Parish Council

Witham Town Council

Wivenhoe Town Council

Wormingford Parish Council

Writtle Parish Council

## **Designated Bodies**

Colchester Amphora Trading Ltd

Colchester Commercial (Holdings) Ltd

Essex Shared Services Ltd

HTS (Property and Environment) Ltd

Qualis Management Ltd

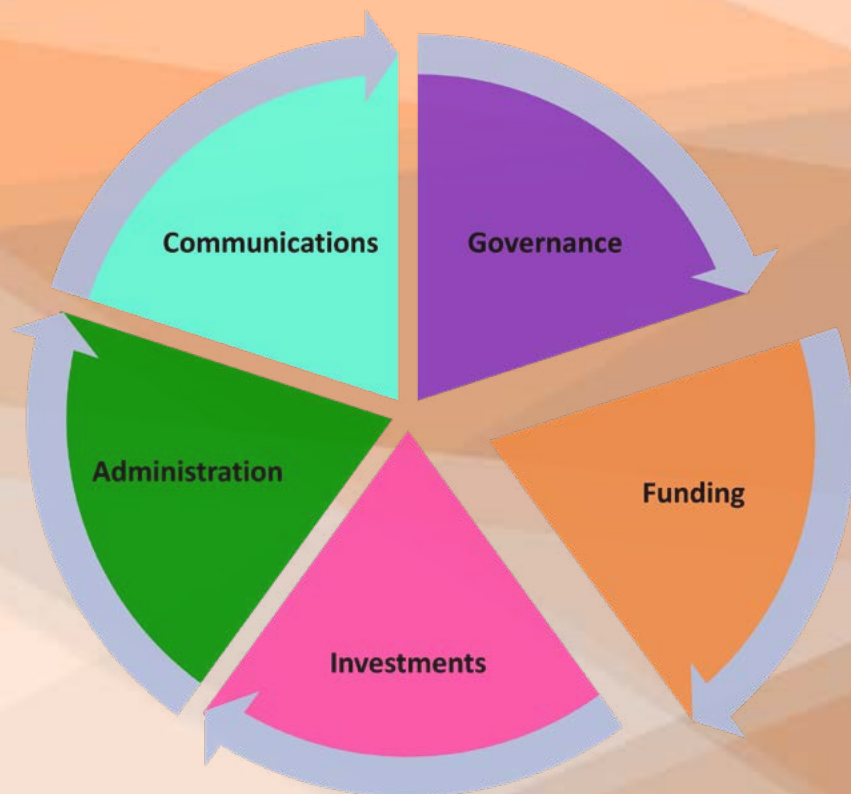
Southend Care Ltd



**SECTION 4**

**Scheme Actuary**

**2019 & 2022  
Valuations**





# Essex Pension Fund

## Actuarial Valuation 2019

### Statement by Consulting Actuary 2019 Actuarial Valuation

An Actuarial Valuation of the Essex Pension Fund was carried by the Fund's Actuary, Barnett Waddingham as at 31 March 2019 to determine the contribution rates with effect from 1 April 2020 to 31 March 2023. 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 £6.711bn based on a smoothing adjustment of 100.5% applied to the market value of the assets less the 5% volatility reserve represented 97% of the Funding Target liabilities of £6.917bn at the valuation date. See below table:

Past Service Fund Position	31 March 2019 £m
Smoothed asset value	6,711
Past service liabilities	
Active	2,166
Deferred Pensioners	1,580
Pensioners	3,171
<b>Total</b>	<b>6,917</b>
Surplus (deficit)	(206)
<b>Fund Level</b>	<b>97%</b>

The valuation also showed that a primary common rate of contribution of 20.0% 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	26.5%
Less employee contribution rate	-6.5%
<b>Total primary rate</b>	<b>20.0%</b>

# Essex Pension Fund

## Actuarial Valuation 2019

### General and specific notes

The final rates and adjustment certificate will include any general notes applicable to the Fund's employer contributions and any specific notes applicable to a particular individual employer.

The notes below detail what the specific notes refer to in the tables.

(i) We understand that employers with this note have agreed with the administering authority that they will prepay an element of their contributions by making a single lump sum payment in April 2020. If the employer does not make the lump sum payment by 30 April 2020 then the lump sum will be increased by 2.25% and a deadline of 30 September 2020 will be set. If this secondary deadline is missed, then further interest will be applied to the lump sum to a revised payment date agreed with the administering authority.

(ii) We understand that employers with this note have agreed with the administering authority that they will prepay an element of their contributions by making lump sum payments at the start of each year (i.e. in April 2020, April 2021 and April 2022). If the employer does not make the lump sum payment in April of any particular year then the lump sum for that year will be increased by 2.25% and a deadline of 30 September will be set. If this secondary deadline is missed, then further interest will be applied to the lump sum to a revised payment date agreed with the administering authority.

(iii) These admission bodies are expected to cease during the intervaluation period. When the contract ceases we will carry out a cessation valuation to determine any exit payment/credit that may be due to/from the Fund. If the contract is extended then we, as Fund actuary, should be informed and a new rate be calculated to take into account the funding position of the admission body. If we are not informed if the contract is extended then the primary rate will be applicable.

(iv) The contract for this admission body is expected to cease during the intervaluation period. However, if the contract is extended then we are happy for this admission body to continue paying the pool contribution rate of 5% of payroll p.a. to 31 March 2023.

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Major tax raising bodies</b>					
Essex County Council (excluding schools)	19.70%	£7,850,252	-	-	i
Former GM Essex Schools	19.70%	1.60%	1.60%	1.60%	
Basildon District Council	19.20%	£3,945,175	-	-	i
Braintree District Council	20.30%	£2,468,311	-	-	i
Brentwood District Council	19.90%	£919,356	£952,874	£987,613	ii
Castle Point Borough Council	20.20%	£1,559,371	-	-	i
Chelmsford Borough Council	19.20%	£2,678,250	-	-	i
Colchester Borough Council	19.00%	£3,432,213	-	-	i
Epping Forest District Council	21.20%	£580,526	£601,691	£623,627	
Harlow District Council	20.10%	£6,363,949	-	-	i
Maldon District Council	19.90%	£1,556,202	-	-	i
Rochford District Council	19.50%	£1,216,914	-	-	i
Southend-On-Sea Borough Council (excluding schools)	19.40%	£4,342,639	-	-	i
Former GM Southend Schools	19.40%	3.60%	3.60%	3.60%	
Tendring District Council	20.10%	£2,056,414	-	-	i
Thurrock Borough Council (excluding schools)	19.80%	£1,662,973	-	-	i
Former GM Thurrock Schools	19.80%	1.00%	1.00%	1.00%	
Uttlesford District Council	20.20%	£696,511	-	-	i

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Other scheduled bodies (Further and higher education bodies, housing associations etc.)</b>					
Anglia Ruskin University	18.10%	-2.9% plus £1,100,000	-1.4% plus £1,140,000	£1,182,000	
Chelmsford FE College	21.10%	£82,164	£85,862	£89,725	
Colchester Borough Homes Ltd	20.20%	-	-	-	
Colchester Institute	20.20%	£113,288	£117,418	£121,699	
Essex Chief Constable	18.90%	£245,484	£254,434	£263,710	ii
Essex Fire Authority	19.90%	£284,812	£295,196	£305,958	ii
Harlow College	19.30%	£132,941	£138,923	£145,175	
Police and Fire Crime Commissioner	18.90%	£3,100	£3,213	£3,330	
South Essex College	20.10%	£236,718	£247,370	£258,502	
South Essex Homes Ltd	22.20%	-	-	-	
The Sixth Form College Colchester	22.30%	£34,730	£36,293	£37,926	
USP College	18.60%	£107,268	£112,095	£117,140	
Writtle Agricultural College	18.90%	-1.9% plus £139,334	£144,350	£149,547	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Designated bodies</b>					
Colchester Amphora Trading Ltd	19.00%	-	-	-	
Colchester Commercial (Holdings) Ltd	19.00%	-	-	-	
Essex Shared Services Ltd	23.10%	-	-	-	
HTS (Property and Environment) Ltd	21.80%	-	-	-	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
North East Garden Communities Ltd	23.10%	£846	£877	£909	
Southend Care Ltd	25.00%	£12,593	£13,052	£13,528	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Other admission bodies (typically used to be CABs)</b>					
Ardleigh Reservoir Committee	27.30%	£6,000	£6,000	£6,000	
Braintree District Museum Trust	23.20%	£1,416	£1,468	£1,521	
Brentwood Community Transport	28.70%	£2,482	£2,571	£2,664	
Brentwood Leisure Trust	23.00%	£28,160	£29,427	£30,751	
Cambridge Access Validating Agency	21.40%	£9,803	£10,161	£10,531	
Care Quality Commission	25.20%	£58,887	£61,537	£64,305	
Changing Pathways (Basildon Womens Refuge)	23.80%	£1,353	£1,414	£1,478	
Chelmer Housing Partnership	19.20%	£99,275	£102,849	£106,551	
Chelmsford Citizens Advice Bureau	27.70%	£4,964	£5,187	£5,421	
Chelmsford Community Transport	20.10%	£17,936	£18,744	£19,586	
Chelmsford Council for Voluntary Service	26.90%	£4,876	£5,095	£5,325	
Epping Forest Community Transport	27.80%	£1,129	£1,169	£1,211	
Essex Association of Local Councils	22.60%	£4,399	£4,597	£4,804	
Essex Police Federation	45.20%	-16.4% plus £3,948	-16.40%	-16.40%	
Greenfields Community Housing Ltd	22.40%	£70,000	£70,000	£70,000	ii
Harlow District Sports Trust	24.70%	£33,843	£35,366	£36,958	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Hatfield Peverel Day Nursery	19.00%	£1,293	£1,339	£1,387	
Impulse Leisure	20.40%	£10,040	£10,492	£10,964	
ITEC Learning Technologies Ltd	18.80%	£36,272	£37,578	£38,931	
Moat Housing Group Ltd	21.90%	£37,225	£38,565	£39,953	
North Essex Partnership University NHS Foundation Trust	25.40%	-	-	-	
Orchestras Live	24.10%	£5,359	£5,600	£5,852	
Phoenix Group Homes	30.20%	£12,000	£11,788	-	
Race Equality Foundation	23.00%	£1,353	£1,402	£1,453	
Rochford Housing Association	24.30%	£28,767	£30,061	£31,414	
Safer Places	24.50%	£98,560	£102,108	£105,784	
Social Care Institute For Excellence	19.60%	£169,215	£176,829	£184,787	
The Community Council Of Essex	26.60%	£23,352	£24,402	£25,500	
The Trading Standards Institute	17.40%	£37,941	£39,648	£41,432	
Thurrock Community Leisure Ltd	22.80%	£5,000	£5,225	£5,413	
Thurrock Lifestyle Solutions CIC	24.60%	-	-	-	
University Of Essex	23.90%	£800,000	£800,000	£800,000	
University of Essex Campus Services Ltd	26.30%	-	-	-	
Worthing Homes Ltd	22.80%	£148,909	£155,610	£162,613	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Contractors (Individual Employers)</b>					
APCOA	24.80%	-19.80%	-19.80%	-	iii
Ashlyn Healthcare Ltd	23.60%	-13.60%	-13.60%	-13.60%	
Barnardos	28.40%	-28.40%	-28.40%	-28.40%	
Catering Academy Ltd	24.90%	-	-	-	
Catering Academy Ltd (Stifford Clays)	24.90%	£4,142	£4,293	£1,840	
Churchill Contract Services Ltd (New Rickstones Academy)	22.30%	-	-	-	iii
Dovercourt Healthcare Ltd	27.60%	-17.60%	-17.60%	-17.60%	
Ecocleen Services Ltd (Ramsey Academy)	25.10%	-	-	-	iii
Ecocleen Services Ltd (Richard De Clare)	18.60%	-	-	-	iii
ECS Ltd Reablement South East	23.40%	-18.20%	-18.20%	-18.20%	
Edwards and Blake Ltd	20.20%	-2.80%	-	-	iii
Elite Cleaning Services Ltd (Montgomerie Jnr)	18.30%	£1,030	£896	-	iii
Essex Cares Ltd	23.40%	-18.20%	-18.20%	-18.20%	iv
Essex Inclusion And Employment	23.40%	-18.20%	-18.20%	-18.20%	
Essex Equipment Service Ltd	23.40%	-18.20%	-18.20%	-18.20%	
Essex Community Support Limited	23.40%	-18.20%	-18.20%	-18.20%	
Essex Community Support Mid	23.40%	-18.20%	-18.20%	-18.20%	
Essex Community Support North East	23.40%	-18.20%	-18.20%	-18.20%	
Essex Community Support South West	23.40%	-18.20%	-18.20%	-18.20%	
Essex Community Support West	23.40%	-18.20%	-18.20%	-18.20%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Family Action	21.60%	-4.20%	-	-	iii
Fusion Lifestyle	25.10%	-25.10%	-25.10%	-25.10%	
Goldenley Healthcare Ltd	24.50%	-14.50%	-14.50%	-14.50%	
H Q Theatres Ltd	19.90%	-	-	-	
Harrison Catering Academy Ltd (Tabor)	24.10%	-	-	-	iii
Idverde	25.70%	-20.70%	-20.70%	-20.70%	
L & L Cleaning Services Ltd (Ghyllgrove Infants)	12.50%	0.30%	0.30%	0.30%	
Let's Do Business	22.00%	1.70%	-	-	iii
Longfield Healthcare Ltd	15.80%	-5.80%	-5.80%	-5.80%	
Mears Limited	22.70%	-	-	-	
Mitie Security Limited	25.60%	-20.60%	-20.60%	-	iii
Mitie Technical FM Ltd	25.70%	-20.70%	-20.70%	-	iii
Pinnacle F M	23.10%	-	-	-	
Places for People Leisure Ltd	23.90%	-	-	-	
Ridge Crest Cleaning Services	39.20%	£11,901	-	-	
Ringway Jacobs Limited	24.40%	-	-	-	iii
Riverside Truck Rental Ltd (Basildon)	22.50%	-17.50%	-17.50%	-17.50%	
RM Education - Columbus ICT	15.00%	-4.60%	-	-	iii
Schools Offices Services Ltd	23.90%	-	-	-	iii
Servest Group Ltd	25.30%	-4.90%	-	-	iii

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Skanska (Cornelius)	32.20%	-27.20%	-27.20%	-27.20%	
Skanska (Woodlands School)	28.70%	-23.70%	-23.70%	-23.70%	
SLM Health & Fitness (SV)	21.80%	-3.90%	-3.90%	-3.90%	
SLM Health & Fitness (LM)	21.80%	-3.90%	-3.90%	-3.90%	
SLM Charitable Trust (SV)	21.80%	-3.90%	-3.90%	-3.90%	
SLM Charitable Trust (LM)	21.80%	-3.90%	-3.90%	-3.90%	
Sweyne Healthcare Ltd	22.50%	-12.50%	-12.50%	-12.50%	
The Partyman Company Limited	35.10%	-30.10%	-30.10%	-30.10%	
Udata Infrastructure (UK) Ltd	21.20%	-	-	-	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Town and parish councils</b>					
Barling Magna Parish Council	22.40%	0.90%	0.90%	0.90%	
Billericay Town Council	22.40%	0.90%	0.90%	0.90%	
Blackmore Parish Council	22.40%	0.90%	0.90%	0.90%	
Boreham Parish Council	22.40%	0.90%	0.90%	0.90%	
Brightlingsea Town Council	22.40%	0.90%	0.90%	0.90%	
Broomfield Parish Council	22.40%	0.90%	0.90%	0.90%	
Buckhurst Hill Parish Council	22.40%	0.90%	0.90%	0.90%	
Burnham On Crouch Town Council	22.40%	0.90%	0.90%	0.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Canvey Island Town Council	22.40%	0.90%	0.90%	0.90%	
Chappel Parish Council	22.40%	0.90%	0.90%	0.90%	
Chignal Parish Council	22.40%	0.90%	0.90%	0.90%	
Chigwell Parish Council	22.40%	0.90%	0.90%	0.90%	
Coggeshall Parish Council	22.40%	0.90%	0.90%	0.90%	
Copford with Easthorpe Parish Council	22.40%	0.90%	0.90%	0.90%	
Danbury Parish Council	22.40%	0.90%	0.90%	0.90%	
Earls Colne Parish Council	22.40%	0.90%	0.90%	0.90%	
East Donyland Parish Council	22.40%	0.90%	0.90%	0.90%	
Epping Town Council	22.40%	0.90%	0.90%	0.90%	
Feering Parish Council	22.40%	0.90%	0.90%	0.90%	
Fordham Parish Council	22.40%	0.90%	0.90%	0.90%	
Frinton & Walton Town Council	22.40%	0.90%	0.90%	0.90%	
Galleywood Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Baddow Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Bentley Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Chesterford Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Horkeley Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Notley Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Wakering Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Waltham Parish Council	22.40%	0.90%	0.90%	0.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Great Yeldham Parish Council	22.40%	0.90%	0.90%	0.90%	
Great Dunmow Town Council	22.40%	0.90%	0.90%	0.90%	
Halstead Town Council	22.40%	0.90%	0.90%	0.90%	
Harwich Town Council	22.40%	0.90%	0.90%	0.90%	
Hawkwell Parish Council	22.40%	0.90%	0.90%	0.90%	
Herongate and Ingrave Parish Council	22.40%	0.90%	0.90%	0.90%	
Heybridge Parish Council	22.40%	0.90%	0.90%	0.90%	
Hockley Parish Council	22.40%	0.90%	0.90%	0.90%	
Hullbridge Parish Council	22.40%	0.90%	0.90%	0.90%	
Ingatstone & Fryerning Parish Council	22.40%	0.90%	0.90%	0.90%	
Kelvedon Parish Council	22.40%	0.90%	0.90%	0.90%	
Leigh On Sea Town Council	22.40%	0.90%	0.90%	0.90%	
Little Canfield Parish Council	22.40%	0.90%	0.90%	0.90%	
Little Clacton Parish Council	22.40%	0.90%	0.90%	0.90%	
Little Waltham Parish Council	22.40%	0.90%	0.90%	0.90%	
Little Yeldham Parish Council	22.40%	0.90%	0.90%	0.90%	
Loughton Town Council	22.40%	0.90%	0.90%	0.90%	
Maldon Town Council	22.40%	0.90%	0.90%	0.90%	
Mistley Parish Council	22.40%	0.90%	0.90%	0.90%	
Nazeing Parish Council	22.40%	0.90%	0.90%	0.90%	
North Weald Parish Council	22.40%	0.90%	0.90%	0.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Ongar Town Council	22.40%	0.90%	0.90%	0.90%	
Pleshey Parish Council	22.40%	0.90%	0.90%	0.90%	
Purleigh Parish Council	22.40%	0.90%	0.90%	0.90%	
Rayleigh Town Council	22.40%	0.90%	0.90%	0.90%	
Runwell Parish Council	22.40%	0.90%	0.90%	0.90%	
Saffron Walden Town Council	22.40%	0.90%	0.90%	0.90%	
Sandon Parish Council	22.40%	0.90%	0.90%	0.90%	
Sible Hedingham Parish Council	22.40%	0.90%	0.90%	0.90%	
Silver End Parish Council	22.40%	0.90%	0.90%	0.90%	
South Hanningfield Parish Council	22.40%	0.90%	0.90%	0.90%	
South Woodham Ferrers Town Council	22.40%	0.90%	0.90%	0.90%	
Springfield Parish Council	22.40%	0.90%	0.90%	0.90%	
St Osyth Parish Council	22.40%	0.90%	0.90%	0.90%	
Stansted Mountfitchet Parish Council	22.40%	0.90%	0.90%	0.90%	
Stanway Parish Council	22.40%	0.90%	0.90%	0.90%	
Terling and Fairstead Parish Council	22.40%	0.90%	0.90%	0.90%	
Thaxted Parish Council	22.40%	0.90%	0.90%	0.90%	
Tiptree Parish Council	22.40%	0.90%	0.90%	0.90%	
Tollesbury Parish Council	22.40%	0.90%	0.90%	0.90%	
Wakes Colne Parish Council	22.40%	0.90%	0.90%	0.90%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Waltham Abbey Town Council	22.40%	0.90%	0.90%	0.90%	
West Bergholt Parish Council	22.40%	0.90%	0.90%	0.90%	
West Mersea Town Council	22.40%	0.90%	0.90%	0.90%	
Wickham Bishops Parish Council	22.40%	0.90%	0.90%	0.90%	
Witham Town Council	22.40%	0.90%	0.90%	0.90%	
Wivenhoe Town Council	22.40%	0.90%	0.90%	0.90%	
Wormingford Parish Council	22.40%	0.90%	0.90%	0.90%	
Writtle Parish Council	22.40%	0.90%	0.90%	0.90%	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Academies</b>					
Abbots Hall Primary School	21.10%	1.10%	2.10%	3.10%	
Abbotsweld Primary Academy	21.10%	3.90%	3.90%	3.90%	
Academies Enterprise Trust	21.10%	-1.10%	-0.10%	0.90%	
Alderton Infant School	21.10%	1.80%	2.80%	3.80%	
Alderton Junior School	21.10%	1.80%	2.80%	3.80%	
Alec Hunter	21.10%	3.90%	3.90%	3.90%	
Alton Park Academy	21.10%	2.80%	3.80%	3.90%	
Anglo European Academy	21.10%	3.00%	3.90%	3.90%	
Arthur Bugler Primary School	21.10%	3.70%	3.90%	3.90%	
Ashingdon Academy	21.10%	-0.40%	0.60%	1.60%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Aspire Academy Trust (Harlow)	21.10%	2.80%	3.80%	3.90%	
Aveley Primary School	21.10%	3.90%	3.90%	3.90%	
Bardfield Primary & Nursery School	21.10%	3.20%	3.90%	3.90%	
Barling Magna Community Primary School	21.10%	3.10%	3.90%	3.90%	
Barnes Farm Infant School	21.10%	1.80%	2.80%	3.80%	
Barnes Farm Junior School	21.10%	1.10%	2.10%	3.10%	
Basildon Lower Academy	21.10%	3.90%	3.90%	3.90%	
Basildon Upper Academy	21.10%	3.90%	3.90%	3.90%	
Beacon Hill Academy	21.10%	2.10%	3.10%	3.90%	
Becket Keys Church of England Free School	21.10%	2.80%	3.80%	3.90%	
Belchamp St Paul C of E Primary School	21.10%	3.50%	3.90%	3.90%	
Belfairs Community College Academy	21.10%	3.90%	3.90%	3.90%	
Belmont Castle Academy	21.10%	-0.10%	0.90%	1.90%	
Benyon	21.10%	1.30%	2.30%	3.30%	
Billericay Academy	21.10%	2.70%	3.70%	3.90%	
Birkin Cleaning Services Ltd (Fitzwimarc School)	21.10%	3.90%	3.90%	3.90%	
Blenheim Primary School & Children's Centre	21.10%	3.90%	3.90%	3.90%	
BMAT	21.10%	1.40%	2.40%	3.40%	
BMAT STEM Academy	21.10%	2.80%	3.80%	3.90%	
Boswells Academy	21.10%	3.90%	3.90%	3.90%	
Bournemouth Park Primary School	21.10%	3.90%	3.90%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Bournes Green Infant School	21.10%	3.90%	3.90%	3.90%	
Bournes Green Junior School	21.10%	3.90%	3.90%	3.90%	
Braiswick Primary Academy	21.10%	2.80%	3.80%	3.90%	
Brentwood County High School	21.10%	3.00%	3.90%	3.90%	
Brentwood Ursuline Academy	21.10%	3.90%	3.90%	3.90%	
Briscoe Primary And Nursery	21.10%	2.40%	3.40%	3.90%	
Bulphan C of E Primary School	21.10%	3.90%	3.90%	3.90%	
Burnt Mill Academy	21.10%	1.40%	2.40%	3.40%	
Burrsville Infant School	21.10%	0.70%	1.70%	2.70%	
Buttsbury Academy	21.10%	2.90%	3.90%	3.90%	
Camulos Academy	21.10%	2.80%	3.80%	3.90%	
Cann Hall Academy	21.10%	1.10%	2.10%	3.10%	
Castle View School	21.10%	3.70%	3.90%	3.90%	
Castledon School Academy Trust	21.10%	1.80%	2.80%	3.80%	
Cater Link Ltd (St Thomas More)	21.10%	3.90%	3.90%	3.90%	
Cecil Jones Academy	21.10%	3.90%	3.90%	3.90%	
Chadwell St Mary Primary School	21.10%	2.90%	3.90%	3.90%	
Chafford Hundred Primary	21.10%	2.60%	3.60%	3.90%	
Chase High School	21.10%	3.90%	3.90%	3.90%	
Chelmer Valley High Academy	21.10%	3.60%	3.90%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Chelmsford High School for Girls	21.10%	3.40%	3.90%	3.90%	
Cherry Tree Academy	21.10%	2.00%	3.00%	3.90%	
Chigwell Primary Academy	21.10%	2.40%	3.40%	3.90%	
Chigwell Row Infant School	21.10%	1.80%	2.80%	3.80%	
Chipping Ongar Primary School	21.10%	1.80%	2.80%	3.80%	
Clacton Coastal Academy	21.10%	3.90%	3.90%	3.90%	
Clacton County Academy	21.10%	3.70%	3.90%	3.90%	
Colchester Academy	21.10%	3.90%	3.90%	3.90%	
Colchester High Girls Academy	21.10%	2.30%	3.30%	3.90%	
Colchester Royal Grammar Academy	21.10%	2.30%	3.30%	3.90%	
Colne Community Academy	21.10%	3.40%	3.90%	3.90%	
Columbus Academy	21.10%	2.20%	3.20%	3.90%	
Cooks Spinney Academy	21.10%	3.90%	3.90%	3.90%	
Cornelius Vermuyden School	21.10%	3.90%	3.90%	3.90%	
Corringham Primary School	21.10%	1.20%	2.20%	3.20%	
Crays Hill Primary School	21.10%	1.80%	2.80%	3.80%	
Cucina Restaurants Ltd (New Rickstones)	21.10%	3.90%	3.90%	3.90%	
Darlinghurst	21.10%	2.20%	3.20%	3.90%	
Davenant Foundation Academy	21.10%	2.60%	3.60%	3.90%	
Debden C of E Primary Academy	21.10%	2.30%	3.30%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Debden Park High Academy	21.10%	0.80%	1.80%	2.80%	
Deneholm Primary School	21.10%	3.70%	3.90%	3.90%	
Dilkes Primary Academy	21.10%	0.60%	1.60%	2.60%	
Diocese of Chelmsford Vine Schools	21.10%	2.80%	3.80%	3.90%	
East Tilbury Primary And Nursery	21.10%	2.00%	3.00%	3.90%	
Eastwood Academy	21.10%	3.20%	3.90%	3.90%	
Elite Cleaning Services Ltd (Bournemouth Park)	21.10%	3.90%	3.90%	3.90%	
Elite Cleaning Services Ltd (Kings Road)	21.10%	3.90%	3.90%	3.90%	
Elm Hall Primary School	21.10%	1.80%	2.80%	3.80%	
Endeavour Coop Academy	21.10%	1.10%	2.10%	3.10%	
Epping St John's C of E School	21.10%	3.50%	3.90%	3.90%	
Epping Upland C of E School	21.10%	2.80%	3.80%	3.90%	
Fawbert & Barnard's Primary School	21.10%	3.50%	3.90%	3.90%	
Feering C of E Primary School	21.10%	1.80%	2.80%	3.80%	
Felmore Primary School	21.10%	1.80%	2.80%	3.80%	
Flitch Green Academy	21.10%	1.10%	2.10%	3.10%	
Forest Hall School	21.10%	3.90%	3.90%	3.90%	
Freshwaters Academy	21.10%	3.90%	3.90%	3.90%	
Friars Primary School & Nursery	21.10%	3.90%	3.90%	3.90%	
Gable Hall Academy	21.10%	0.90%	1.90%	2.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Gateway Primary Freeschool	21.10%	-1.40%	-0.40%	0.60%	
Giffards Primary School	21.10%	1.60%	2.60%	3.60%	
Gilberd Academy	21.10%	0.60%	1.60%	2.60%	
Glebe Primary School	21.10%	2.90%	3.90%	3.90%	
Gosfield Community Primary School	21.10%	1.80%	2.80%	3.80%	
Graham James Primary Academy	21.10%	-1.20%	-0.20%	0.80%	
Great Baddow High Academy	21.10%	3.00%	3.90%	3.90%	
Great Berry Academy	21.10%	-0.20%	0.80%	1.80%	
Great Clacton C of E Junior School	21.10%	-0.80%	0.20%	1.20%	
Great Wakering Primary Academy	21.10%	3.10%	3.90%	3.90%	
Greensted Infant School & Nursery	21.10%	1.80%	2.80%	3.80%	
Greensted Junior Academy	21.10%	0.20%	1.20%	2.20%	
Greensward Academy	21.10%	3.90%	3.90%	3.90%	
Grove House School - Free School	21.10%	2.80%	3.80%	3.90%	
Grove Wood Primary School	21.10%	2.00%	3.00%	3.90%	
Great Chesterford Primary Academy	21.10%	3.90%	3.90%	3.90%	
Hadleigh Inf & Nurs Academy	21.10%	0.70%	1.70%	2.70%	
Hadleigh Junior School Academy	21.10%	1.20%	2.20%	3.20%	
Hamford Primary School Academy	21.10%	-0.20%	0.80%	1.80%	
Hamstel Infant School & Nursery	21.10%	3.90%	3.90%	3.90%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Hamstel Junior School	21.10%	3.90%	3.90%	3.90%	
Harlowbury Primary School	21.10%	3.50%	3.90%	3.90%	
Harris Academy Chafford Hundred	21.10%	3.90%	3.90%	3.90%	
Harris Academy Riverside	21.10%	2.80%	3.80%	3.90%	
Harris Primary Academy Mayflower	21.10%	3.30%	3.90%	3.90%	
Harwich And Dovercourt Academy	21.10%	3.80%	3.90%	3.90%	
Hassenbrook Academy Trust	21.10%	3.90%	3.90%	3.90%	
Hatfield Heath Primary School	21.10%	2.80%	3.80%	3.90%	
Hathaway Academy	21.10%	3.90%	3.90%	3.90%	
Hedingham Academy	21.10%	3.90%	3.90%	3.90%	
Helena Romanes Vi Form Academy	21.10%	3.90%	3.90%	3.90%	
Henry Moore Primary School	21.10%	2.50%	3.50%	3.90%	
Hereward Primary School	21.10%	1.80%	2.80%	3.80%	
Herringham Primary School Academy	21.10%	-0.60%	0.40%	1.40%	
Heybridge Co-Operative Academy	21.10%	3.50%	3.90%	3.90%	
Heybridge Primary Academy	21.10%	3.90%	3.90%	3.90%	
High Beech Primary School	21.10%	1.80%	2.80%	3.80%	
High Ongar Primary School	21.10%	1.80%	2.80%	3.80%	
Highwood Primary	21.10%	3.10%	3.90%	3.90%	
Hillhouse C of E Primary School	21.10%	1.80%	2.80%	3.80%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Hilltop Infant School	21.10%	3.50%	3.90%	3.90%	
Hilltop Junior Academy	21.10%	0.60%	1.60%	2.60%	
Hinguar Primary School	21.10%	3.30%	3.90%	3.90%	
Hockerill Academy	21.10%	3.10%	3.90%	3.90%	
Hockley Primary School	21.10%	1.10%	2.10%	3.10%	
Holland Park Academy	21.10%	1.90%	2.90%	3.90%	
Holt Farm Junior School	21.10%	-0.40%	0.60%	1.60%	
Holy Cross RC Primary Academy	21.10%	-0.40%	0.60%	1.60%	
Holy Family Catholic Primary School (Benfleet)	21.10%	1.80%	2.80%	3.80%	
Honywood Community Academy	21.10%	3.20%	3.90%	3.90%	
Howbridge C of E Junior School	21.10%	1.50%	2.50%	3.50%	
Hutton All Saints Academy	21.10%	-1.80%	-0.80%	0.20%	
Hylands School Academy	21.10%	3.90%	3.90%	3.90%	
Iceni Academy	21.10%	2.00%	3.00%	3.90%	
Ivy Chimneys Primary School	21.10%	2.80%	3.80%	3.90%	
James Hornsby High Academy	21.10%	3.90%	3.90%	3.90%	
Janet Duke Primary School	21.10%	3.50%	3.90%	3.90%	
Jerounds Primary School	21.10%	1.80%	2.80%	3.80%	
John Ray Junior School	21.10%	3.90%	3.90%	3.90%	
Jotmans Hall Primary Academy	21.10%	0.70%	1.70%	2.70%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Katherine Semar Infants School	21.10%	1.10%	2.10%	3.10%	
Katherine Semar Junior School	21.10%	0.90%	1.90%	2.90%	
Katherines Primary	21.10%	2.80%	3.80%	3.90%	
Kenningtons Primary Academy	21.10%	0.50%	1.50%	2.50%	
Kents Hill Infant Academy	21.10%	2.40%	3.40%	3.90%	
Kents Hill Junior Academy	21.10%	2.40%	3.40%	3.90%	
King Edmund Academy	21.10%	1.30%	2.30%	3.30%	
King Edward Grammar Academy	21.10%	-0.40%	0.60%	1.60%	
King Harold B And E Academy	21.10%	2.50%	3.50%	3.90%	
King John Academy	21.10%	3.50%	3.90%	3.90%	
Kings Road Primary School	21.10%	3.90%	3.90%	3.90%	
Kingsdown School	21.10%	3.90%	3.90%	3.90%	
Kingsmoor Primary Academy	21.10%	1.10%	2.10%	3.10%	
Kingston Primary Academy	21.10%	0.60%	1.60%	2.60%	
Kingswode Hoe School	21.10%	3.50%	3.90%	3.90%	
Kirby Primary Academy	21.10%	3.80%	3.90%	3.90%	
L & L Cleaning Services Ltd (Silver End)	21.10%	3.50%	3.90%	3.90%	
Laindon Park Primary School	21.10%	1.80%	2.80%	3.80%	
Lambourne Primary School	21.10%	2.80%	3.80%	3.90%	
Lancaster School	21.10%	3.90%	3.90%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Langham Oaks School	21.10%	3.20%	3.90%	3.90%	
Lansdowne Primary School Academy	21.10%	-0.10%	0.90%	1.90%	
Larchwood Primary School	21.10%	2.40%	3.40%	3.90%	
Larkrise Primary School	21.10%	3.90%	3.90%	3.90%	
Latchingdon C of E Primary School	21.10%	2.20%	3.20%	3.90%	
Latton Green Primary	21.10%	1.70%	2.70%	3.70%	
Lawford Mead Primary School	21.10%	3.90%	3.90%	3.90%	
Lee Chapel Primary Academy	21.10%	-1.20%	-0.20%	0.80%	
Leigh Beck Infant & Nursery Academy	21.10%	3.90%	3.90%	3.90%	
Leigh Beck Junior School	21.10%	3.50%	3.90%	3.90%	
Lewis & Graves Partnership Ltd (Chase High)	21.10%	3.90%	3.90%	3.90%	
Lewis & Graves Partnership Ltd (St Martins)	21.10%	3.10%	3.90%	3.90%	
Limes Farm Infant School	21.10%	1.80%	2.80%	3.80%	
Little Parndon Academy	21.10%	3.90%	3.90%	3.90%	
Longwood Primary Academy	21.10%	3.90%	3.90%	3.90%	
Lubbins Park	21.10%	3.70%	3.90%	3.90%	
Lyons Hall Primary School Academy	21.10%	-0.10%	0.90%	1.90%	
Magna Carta Primary Academy	21.10%	2.80%	3.80%	3.90%	
Maldon Primary School	21.10%	3.50%	3.90%	3.90%	
Maltese Road Primary School	21.10%	2.80%	3.80%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Maltings Academy	21.10%	3.90%	3.90%	3.90%	
Manningtree High Academy	21.10%	3.90%	3.90%	3.90%	
Maple Grove	21.10%	3.90%	3.90%	3.90%	
Margaretting C of E Primary School	21.10%	1.80%	2.80%	3.80%	
Mark Hall School	21.10%	3.90%	3.90%	3.90%	
Market Field School	21.10%	2.30%	3.30%	3.90%	
Mayflower High School Academy	21.10%	3.60%	3.90%	3.90%	
Maylandsea Primary School	21.10%	2.80%	3.80%	3.90%	
Meadgate Primary Academy	21.10%	3.90%	3.90%	3.90%	
Merrylands Primary School	21.10%	2.00%	3.00%	3.90%	
Messing Primary School	21.10%	1.50%	2.50%	3.50%	
Mildmay Junior School	21.10%	1.20%	2.20%	3.20%	
Milwards Primary & Junior	21.10%	3.50%	3.90%	3.90%	
Mistley Norman C of E Primary School	21.10%	3.90%	3.90%	3.90%	
Monkwick Infant Academy	21.10%	0.60%	1.60%	2.60%	
Monkwick Junior Academy	21.10%	1.90%	2.90%	3.90%	
Montgomerie Primary School	21.10%	1.90%	2.90%	3.90%	
Moulsham County Junior Academy	21.10%	0.40%	1.40%	2.40%	
Moulsham High Academy	21.10%	3.90%	3.90%	3.90%	
Moulsham Infants Academy	21.10%	1.00%	2.00%	3.00%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Mountnessing Primary School	21.10%	1.80%	2.80%	3.80%	
New Rickstones Academy	21.10%	3.90%	3.90%	3.90%	
Newhall Primary Academy	21.10%	3.90%	3.90%	3.90%	
Newlands Spring Primary Academy	21.10%	-1.20%	-0.20%	0.80%	
Newport Free Grammar Academy	21.10%	3.90%	3.90%	3.90%	
Noak Bridge Primary School	21.10%	3.50%	3.90%	3.90%	
North Crescent Primary School	21.10%	2.10%	3.10%	3.90%	
North East Essex Co-Operative Academy	21.10%	3.50%	3.90%	3.90%	
Northlands Primary School & Nursery	21.10%	2.10%	3.10%	3.90%	
Northwick Park Primary & Nursery Academy	21.10%	0.70%	1.70%	2.70%	
Notley Green Academy	21.10%	1.40%	2.40%	3.40%	
Notley High & Braintree VI Form	21.10%	2.30%	3.30%	3.90%	
Oak View Special School	21.10%	1.80%	2.80%	3.80%	
Oaklands Infant School	21.10%	1.80%	2.80%	3.80%	
Olive Ap Academy Thurrock	21.10%	3.70%	3.90%	3.90%	
Ongar Academy	21.10%	2.80%	3.80%	3.90%	
Ongar Primary School	21.10%	1.80%	2.80%	3.80%	
Ormiston Park Academy	21.10%	3.90%	3.90%	3.90%	
Ormiston Rivers Academy	21.10%	3.30%	3.90%	3.90%	
Orsett C Of E Primary School	21.10%	3.90%	3.90%	3.90%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Our Lady Immaculate Primary Academy	21.10%	1.00%	2.00%	3.00%	
Our Lady Of Lourdes Catholic Primary School	21.10%	3.90%	3.90%	3.90%	
Our Lady Of Ransom Catholic Primary School (Rayleigh)	21.10%	1.80%	2.80%	3.80%	
Pabulum Ltd (Bournemouth Park)	21.10%	3.90%	3.90%	3.90%	
Pabulum Ltd (Chase High)	21.10%	3.90%	3.90%	3.90%	
Parkwood Academy	21.10%	3.60%	3.90%	3.90%	
Passmores Academy Trust	21.10%	0.30%	1.30%	2.30%	
Pear Tree Mead Academy	21.10%	0.60%	1.60%	2.60%	
Pemberley Academy	21.10%	2.80%	3.80%	3.90%	
Perryfields Infant School	21.10%	1.80%	2.80%	3.80%	
Perryfields Junior School	21.10%	3.60%	3.90%	3.90%	
Philip Morant Academy	21.10%	2.70%	3.70%	3.90%	
Phoenix Primary School & Nursery	21.10%	2.90%	3.90%	3.90%	
Plumberow Primary Academy	21.10%	0.90%	1.90%	2.90%	
Plume Academy	21.10%	3.00%	3.90%	3.90%	
Porters Grange	21.10%	3.90%	3.90%	3.90%	
Potter Street Primary School	21.10%	-1.30%	-0.30%	0.70%	
Powers Hall Junior	21.10%	1.20%	2.20%	3.20%	
Prince Avenue Primary Academy	21.10%	3.00%	3.90%	3.90%	
Purfleet Primary School	21.10%	1.30%	2.30%	3.30%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Purford Green	21.10%	3.10%	3.90%	3.90%	
Purleigh Community Primary School	21.10%	-0.20%	0.80%	1.80%	
Quarry Hill	21.10%	3.90%	3.90%	3.90%	
R A Butlers Infants Academy	21.10%	-0.50%	0.50%	1.50%	
R A Butlers Junior Academy	21.10%	2.70%	3.70%	3.90%	
Ramsden Hall	21.10%	2.60%	3.60%	3.90%	
Ravens Academy	21.10%	2.00%	3.00%	3.90%	
Rayleigh Primary Academy	21.10%	1.00%	2.00%	3.00%	
Rayne Primary And Nursery School	21.10%	2.80%	3.80%	3.90%	
Richard De Clare Community School	21.10%	2.90%	3.90%	3.90%	
Richmond Avenue School	21.10%	3.90%	3.90%	3.90%	
Ridgewell C of E Primary School	21.10%	3.50%	3.90%	3.90%	
Rivenhall C of E Primary School	21.10%	1.80%	2.80%	3.80%	
Robert Drake Primary Academy	21.10%	1.70%	2.70%	3.70%	
Rochford Primary School	21.10%	2.30%	3.30%	3.90%	
Roding Valley High School	21.10%	1.80%	2.80%	3.80%	
Rolph Church Of England Primary School	21.10%	0.30%	1.30%	2.30%	
Roseacres Primary School	21.10%	2.80%	3.80%	3.90%	
Roydon Primary School (Academy)	21.10%	1.60%	2.60%	3.60%	
Runwell Primary Academy	21.10%	1.00%	2.00%	3.00%	
Ryedene Primary School	21.10%	2.50%	3.50%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Sacred Heart Catholic Primary School	21.10%	3.90%	3.90%	3.90%	
Saffron Walden High Academy	21.10%	2.70%	3.70%	3.90%	
Sandon Academy	21.10%	3.90%	3.90%	3.90%	
Seax Trust	21.10%	1.20%	2.20%	3.20%	
Shalford Primary School	21.10%	2.30%	3.30%	3.90%	
Shaw Primary Academy	21.10%	0.80%	1.80%	2.80%	
Shenfield High Academy	21.10%	3.90%	3.90%	3.90%	
Shenfield St Marys	21.10%	2.30%	3.30%	3.90%	
Shoeburyness Academy	21.10%	3.90%	3.90%	3.90%	
Sigma Trust	21.10%	3.80%	3.90%	3.90%	
Silver End Academy	21.10%	3.50%	3.90%	3.90%	
Sir Martin Frobisher Academy	21.10%	0.20%	1.20%	2.20%	
Somers Heath Primary	21.10%	3.90%	3.90%	3.90%	
South Benfleet Primary Academy	21.10%	2.10%	3.10%	3.90%	
Southchurch High School	21.10%	3.90%	3.90%	3.90%	
Southend High For Boys Academy	21.10%	1.10%	2.10%	3.10%	
Southend High Girls Academy	21.10%	3.90%	3.90%	3.90%	
Southend YMCA Community Free School	21.10%	-1.80%	-0.80%	0.20%	
Southminster C of E Primary School	21.10%	3.50%	3.90%	3.90%	
Southview Primary School	21.10%	2.80%	3.80%	3.90%	
St Albans RC Primary Academy	21.10%	0.10%	1.10%	2.10%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
St Andrews C of E Primary School, Halstead	21.10%	2.80%	3.80%	3.90%	
St Andrews Primary School (Weeley)	21.10%	2.40%	3.40%	3.90%	
St Bernards High Academy	21.10%	3.90%	3.90%	3.90%	
St Cedds	21.10%	3.90%	3.90%	3.90%	
St Christopher Academy	21.10%	2.10%	3.10%	3.90%	
St Clare's RC Primary School - Clacton	21.10%	3.90%	3.90%	3.90%	
St Cleres Co-Operative Academy	21.10%	0.30%	1.30%	2.30%	
St George's Catholic Primary School (Shoeburyness)	21.10%	3.90%	3.90%	3.90%	
St Helena Academy	21.10%	3.00%	3.90%	3.90%	
St Helen's Catholic Primary School (Westcliff-On-Sea)	21.10%	3.90%	3.90%	3.90%	
St Helens RC Junior Academy	21.10%	0.10%	1.10%	2.10%	
St James C of E Primary School Colchester	21.10%	2.40%	3.40%	3.90%	
St James C of E Primary School - Harlow	21.10%	1.60%	2.60%	3.60%	
St John's C of E Primary School, Buckhurst Hill	21.10%	2.80%	3.80%	3.90%	
St Joseph Catholic Primary School (Stanford-Le-Hope)	21.10%	3.90%	3.90%	3.90%	
St Joseph's Catholic Primary School (Canvey Island)	21.10%	1.80%	2.80%	3.80%	
St Lukes RC Academy (Harlow)	21.10%	1.30%	2.30%	3.30%	
St Margaret's C of E Primary School Bowers Clifford	21.10%	3.90%	3.90%	3.90%	
St Marks West Essex Academy	21.10%	2.40%	3.40%	3.90%	
St Martins High Academy	21.10%	3.10%	3.90%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
St Marys Primary Academy Kelvedon	21.10%	3.10%	3.90%	3.90%	
St Nicholas School	21.10%	3.90%	3.90%	3.90%	
St Osyth C of E Primary School	21.10%	3.10%	3.90%	3.90%	
St Teresa's Academy Colchester	21.10%	0.60%	1.60%	2.60%	
St Teresa's Catholic Primary School - Basildon	21.10%	1.20%	2.20%	3.20%	
St Teresa's Catholic Primary School (Rochford)	21.10%	1.80%	2.80%	3.80%	
St Thomas More Academy Saffron W	21.10%	0.70%	1.70%	2.70%	
St Thomas More High Academy	21.10%	3.90%	3.90%	3.90%	
St Thomas More Academy Colchester	21.10%	1.60%	2.60%	3.60%	
St Thomas Of Canterbury Catholic Primary School (Grays)	21.10%	3.90%	3.90%	3.90%	
Stambridge Primary School	21.10%	1.90%	2.90%	3.90%	
Stanford-Le-Hope Primary	21.10%	0.90%	1.90%	2.90%	
Stanway Academy	21.10%	2.80%	3.80%	3.90%	
Stapleford Abbots Primary Academy	21.10%	3.50%	3.90%	3.90%	
Staples Road Primary School	21.10%	1.80%	2.80%	3.80%	
Steeple Bumpstead Primary School	21.10%	2.80%	3.80%	3.90%	
Stewards Academy	21.10%	3.80%	3.90%	3.90%	
Stifford Clays	21.10%	3.60%	3.90%	3.90%	
Stisted Primary Academy	21.10%	-0.20%	0.80%	1.80%	
Sutton House Academy	21.10%	3.90%	3.90%	3.90%	
South West Essex Community Education Trust	21.10%	3.90%	3.90%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Sweyne Park Academy	21.10%	3.90%	3.90%	3.90%	
Tabor Science Academy	21.10%	3.90%	3.90%	3.90%	
Takeley Primary School	21.10%	3.20%	3.90%	3.90%	
Tany's Dell Primary School	21.10%	3.50%	3.90%	3.90%	
Templars Academy	21.10%	2.20%	3.20%	3.90%	
Temple Sutton Primary School	21.10%	3.90%	3.90%	3.90%	
Tendring Tech College Academy	21.10%	3.70%	3.90%	3.90%	
Thameside Primary Academy	21.10%	-0.80%	0.20%	1.20%	
The Appleton Academy	21.10%	3.00%	3.90%	3.90%	
The Beaulieu Park School	21.10%	3.90%	3.90%	3.90%	
The Bromfords Academy	21.10%	3.90%	3.90%	3.90%	
The Deanes School	21.10%	2.30%	3.30%	3.90%	
The Downs Primary School & Nursery	21.10%	1.80%	2.80%	3.80%	
The Fitzwimarc School	21.10%	3.90%	3.90%	3.90%	
The Gateway Academy	21.10%	-1.40%	-0.40%	0.60%	
The Ockendon Academy	21.10%	0.90%	1.90%	2.90%	
The Pioneer School	21.10%	0.40%	1.40%	2.40%	
The Ramsey Academy, Halstead	21.10%	1.30%	2.30%	3.30%	
The Willows Primary School	21.10%	2.80%	3.80%	3.90%	
Theydon Bois Primary School	21.10%	1.80%	2.80%	3.80%	
Thomas Lord Audley Academy	21.10%	2.60%	3.60%	3.90%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Thorpe Greenways Primary School	21.10%	3.90%	3.90%	3.90%	
Thorpedene Primary School	21.10%	2.90%	3.90%	3.90%	
Thriftwood Primary Academy	21.10%	1.20%	2.20%	3.20%	
Thundersely Primary School	21.10%	1.80%	2.80%	3.80%	
Thurstable Academy	21.10%	2.30%	3.30%	3.90%	
Tilbury Pioneer Academy	21.10%	3.90%	3.90%	3.90%	
Treetops School	21.10%	3.90%	3.90%	3.90%	
Tudor Court Primary Academy	21.10%	2.60%	3.60%	3.90%	
Tyrrells Primary Academy	21.10%	-0.80%	0.20%	1.20%	
Unity Primary Academy	21.10%	1.60%	2.60%	3.60%	
Victory Park Academy	21.10%	3.90%	3.90%	3.90%	
Water Lane Primary Academy	21.10%	1.30%	2.30%	3.30%	
Waterman Primary School	21.10%	3.90%	3.90%	3.90%	
West Hatch High Academy	21.10%	2.70%	3.70%	3.90%	
West Leigh Junior	21.10%	3.90%	3.90%	3.90%	
Westborough Primary Academy	21.10%	-1.60%	-0.60%	0.40%	
Westcliff High Boys Academy	21.10%	3.70%	3.90%	3.90%	
Westcliff High Girls Academy	21.10%	3.90%	3.90%	3.90%	
Westerings Primary Academy	21.10%	-1.30%	-0.30%	0.70%	
Westwood Primary Academy	21.10%	0.60%	1.60%	2.60%	
White Bridge Primary School	21.10%	2.80%	3.80%	3.90%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2019

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
White Hall Academy	21.10%	-1.60%	-0.60%	0.40%	
Whitmore Primary School & Nursery	21.10%	2.70%	3.70%	3.90%	
Wickford C of E Academy	21.10%	-1.00%	0.00%	1.00%	
William De Ferrers Academy	21.10%	3.20%	3.90%	3.90%	
William Edwards Academy	21.10%	3.90%	3.90%	3.90%	
William Martin C of E Infant School	21.10%	1.80%	2.80%	3.80%	
William Martin C of E Infant School	21.10%	1.80%	2.80%	3.80%	
William Martin C of E Junior School	21.10%	1.80%	2.80%	3.80%	
Willow Brook Primary School And Nursery	21.10%	2.70%	3.70%	3.90%	
Winter Gardens Academy	21.10%	-0.10%	0.90%	1.90%	
Woodham Ley Primary School	21.10%	2.50%	3.50%	3.90%	
Woodlands School	21.10%	0.20%	1.20%	2.20%	
Woodside Primary Academy	21.10%	-1.10%	-0.10%	0.90%	
Woodville School	21.10%	0.90%	1.90%	2.90%	
Wyburns Primary School	21.10%	2.10%	3.10%	3.90%	
Zenith Multi Academy Trust	21.10%	3.50%	3.90%	3.90%	

# Post 2019 Valuation Employers Rates and adjustment Certificate

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Contractors</b>					
Aramark	26.20%	-	-	-	
Churchill Contract Services Ltd (Woodlands Caretaking)	30.80%	-	-	-	
Hertfordshire NHS Partnership Trust	21.60%	-	-	-	
Juniper	27.00%	-	-	-	
Morgan Sindall Property Services	25.90%	-	-	-	
Paragon Group Ltd	23.00%	-	-	-	
Pinnacle	24.10%	-	-	-	
Vecteo	28.20%	-	-	-	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Town and parish councils</b>					
Ardleigh Parish Council	22.40%	0.90%	0.90%	0.90%	
Myland Community Council	22.40%	0.90%	0.90%	0.90%	
Southminster Parish Council	22.40%	0.90%	0.90%	0.90%	
Stondon Massey Parish Council	22.40%	0.90%	0.90%	0.90%	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
<b>Academies</b>					
Acorn Academy	21.10%	0.80%	1.80%	2.80%	
Buckhurst Hill Community School	21.10%	0.80%	1.80%	2.80%	

# Post 2019 Valuation Employers Rates and adjustment Certificate

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
Cherry Tree Primary School	21.10%	1.80%	2.80%	3.80%	
Clean Green Cleaning Services Ltd (Hamstel Junior)	21.10%	3.90%	3.90%	3.90%	
Colne Engaine C of E Primary School	21.10%	1.80%	2.80%	3.80%	
Doddinghurst C of E Junior School	21.10%	1.80%	2.80%	3.80%	
Enterprise Support Services UK Ltd (South Essex Community Academy Trust)	21.10%	2.70%	3.70%	3.90%	
Fairhouse Primary School	21.10%	1.80%	2.80%	3.80%	
Holy Cross Catholic Primary School	21.10%	3.00%	3.90%	3.90%	
Home Farm Primary School	21.10%	0.80%	1.80%	2.80%	
Horndon on the Hill C of E Primary School	21.10%	2.30%	3.30%	3.90%	
Lewis & Graves Partnership Ltd (Mayflower)	21.10%	3.60%	3.90%	3.90%	
Little Thurrock Primary School	21.10%	3.00%	3.90%	3.90%	
Mildmay Infant and Nursery School	21.10%	0.80%	1.80%	2.80%	
Pabulum Ltd (Portico)	21.10%	3.90%	3.90%	3.90%	
Pabulum Ltd (Purfleet Primary)	21.10%	1.30%	2.30%	3.30%	
Paxman Academy	21.10%	3.90%	3.90%	3.90%	
Ridge Crest (Burnt Mill Academy Trust)	21.10%	3.50%	3.90%	3.90%	
RM Education (AET IT Services)	21.10%	3.90%	3.90%	3.90%	
Roxwell Church of England Primary School	21.10%	0.80%	1.80%	2.80%	
Sir Frederick Gibberd College	21.10%	3.90%	3.90%	3.90%	
Southend East Community Academy Trust	21.10%	3.90%	3.90%	3.90%	

# Post 2019 Valuation Employers Rates and adjustment Certificate

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2020/21	2021/22	2022/23	
St Andrews C of E Primary School (Great Yeldham)	21.10%	1.80%	2.80%	3.80%	
St Mary's Catholic School (Tilbury)	21.10%	3.90%	3.90%	3.90%	
St Nicholas C of E Primary School	21.10%	0.80%	1.80%	2.80%	
St Pius X Catholic Primary School	21.10%	0.80%	1.80%	2.80%	
The Chelmsford Learning Partnership	21.10%	3.90%	3.90%	3.90%	
Tiptree Heath Primary School	21.10%	0.80%	1.80%	2.80%	
Tolleshunt D'Arcy St Nicholas C of E Primary School	21.10%	0.80%	1.80%	2.80%	
Waltham Holy Cross Primary School	21.10%	0.10%	1.10%	2.10%	

# Barnett Waddingham Final Comments

## Funding Strategy Statement (FSS)

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
- Regulatory risk

Sensitivity to some of these risks were set out in the sensitivities section of this report. Please note that this is not an exhaustive list. Further information on these risks and more can be found in our agreed assumptions report and will be set out in greater detail in the Funding Strategy Statement.

## Rates and Adjustments Certificate

The contributions payable in respect of benefit accrual and any deficit contributions under each employer's recovery period have been set out in the Rates and Adjustments Certificate in accordance with Regulation 62 of the Regulations and cover the period from 1 April 2020 to 31 March 2023. 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 in the Rates and Adjustments Certificate are set so that each employer's 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, recovery of this deficit is targeted in line with the Fund's FSS and all employers are projected to be fully funded after a recovery period length of up to 21 years.

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

This report must be made available to members on request.

## Post valuation events

Since the valuation date there has been some very significant movement in investment markets and in particular over the three months to 31 March 2020, largely driven by the COVID-19 crisis. However, our funding model is designed to help withstand short-term volatility in markets as it is a longer term model and we also use smoothed assumptions over a six-month period with the ultimate aim of setting stable contributions for employers.

## Barnett Waddingham Final Comments

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Therefore, although the falls in equity and corporate bond markets have been significant, the ongoing funding position under our model will not have fallen to the same extent, as the model helps to mitigate some of the impact of extreme events.

Due to the timing of these movements in the valuation process, and to the anticipated effect on the ongoing funding position, please note that no adjustments have been made to the valuation results or to the employer contributions previously agreed. The results are based on the position as at 31 March 2019 and this information on “post valuation events” is provided for information only.

We will continue to monitor the Fund’s funding position and raise any individual employer cases with the Fund that we consider need any special attention. The impact of the COVID-19 crisis will be fully considered as part of the 2022 valuation when we revisit employer contributions.

The next formal valuation is due to be carried out as at 31 March 2022 however we would recommend that the financial position of the Fund is monitored regularly during the period leading up to the next formal valuation. We would be happy to give more detail about the ways that this can be achieved.

**Graeme Muir FFA**  
**Colin Dobbie FFA**  
**Barnett Waddingham LLP**

# Essex Pension Fund

## Actuarial Valuation 2022

### Statement by Consulting Actuary 2022 Actuarial Valuation

An Actuarial Valuation of the Essex Pension Fund was carried by the Fund's Actuary, Barnett Waddingham as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026. 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 £8.10bn represented 102% of the Funding Target liabilities of £7.92bn at the valuation date. This was based on a smoothing adjustment of 98.8% applied to the market value of the assets and a stability reserve of 15%. See below table:

Past Service Fund Position	31 March 2022 £bn
Smoothed asset value	8.10
Past service liabilities	
Active	2.74
Deferred Pensioners	1.76
Pensioners	3.42
<b>Total</b>	<b>7.92</b>
Surplus (deficit)	0.18
<b>Fund Level</b>	<b>102%</b>

The valuation also showed that a primary contribution rate of contribution of 22.0% of Pensionable Pay per annum was required from employers (20% as at March 2019). 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. See below table:

Primary rate	% of Payroll
Total future service rate	28.5%
Less employee contribution rate	-6.5%
<b>Total primary rate</b>	<b>22.0%</b>



# Essex Pension Fund

## Actuarial Valuation 2022

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### General and specific notes

The final rates and adjustment certificate will include any general notes applicable to the Fund's employer contributions and any specific notes applicable to a particular individual employer. The monetary amounts are payable in 12 monthly instalments throughout the relevant year unless agreed by the administering authority and an individual employer.

The notes below relate to particular employers and correspond to the letters shown in the specific notes column in the table.

(i) We understand that employers with this note have agreed with the administering authority that they will pay their monetary contributions as lump sum payments at the start of the year (i.e. in April of the relevant year(s)). If the employer does not make the lump sum payment in April of the relevant year(s) then an increased lump sum will be payable equal to the amount shown in brackets in the contribution schedule and a deadline of 30 September will be set. If this secondary deadline is missed, then further interest will be applied to the lump sum to a revised payment date agreed with the administering authority.

(ii) These employers are expected to cease during the intervaluation period. When the contract ceases, we will carry out a cessation valuation to determine any exit payment/credit that may be due to/from the Fund. If the contract is extended beyond or to the intervaluation period then the rates as shown in the contribution schedule apply.

(iii) This employer has a deferred debt agreement (DDA) with the Fund. We have certified zero contributions for the next three years only. The funding position of the employer will be re-evaluated as part of the actuarial valuation as at 31 March 2025 and contributions may be certified for the employer if the funding position shows a deficit.

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Major tax raising bodies</b>					
Essex County Council (incl. former GM schools)	21.7%	-1.5%	-1.0%	-0.5%	
Basildon Borough Council	21.4%	-	-	-	
Braintree District Council	22.1%	-	-	-	
Brentwood District Council	22.0%	-	-	-	
Castle Point Borough Council	21.9%	-	-	-	
Chelmsford City Council	21.3%	£534k (£545k)	-	-	(i)
Colchester Borough Council	21.2%	£984k			(i)
Epping Forest District Council	22.1%	£185k	£193k	£200k	
Harlow District Council	22.3%	-	-	-	
Maldon District Council	20.9%	£351k (£359k)	-	-	(i)
Rochford District Council	21.0%	£93,000 (£95,000)	-	-	(i)
Southend-On-Sea City Council (incl. former GM schools)	21.3%	-1.3%	-0.7%	-	
Tendring District Council	22.0%	-	-	-	
Thurrock Borough Council	21.9%	-1.1%	-1.1%	-1.1%	
Uttlesford District Council	22.2%	£490k	-	-	
Essex Fire Authority	21.6%	-1.1% plus £389k (£397k)	-0.6% plus £404k (£413k)	£420k (£429k)	(i)
Police, Fire and Crime Commissioner	21.3%	-1.6% plus £1,010	-0.8% plus £1,050	£1,090	
Essex Chief Constable	21.3%	-1.6% plus £91,380	-0.8% plus £91,380	£91,380	
Colchester Amphora Trading Ltd	21.2%	-2.2%	-2.2%	-2.2%	
Colchester Commercial (Holdings) Ltd	21.2%	-2.2%	-2.2%	-2.2%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Other scheduled bodies (Further and higher education bodies, housing associations etc.)</b>					
Anglia Ruskin University	20.3%	-1.5% plus £1.17m	-0.8% plus £1.21m	£1.26m	
Chelmsford FE College	23.6%	-1.7% plus £70k	-0.8% plus £70k	£70k	
Colchester Borough Homes Ltd	22.4%	-1.6%	-1.6%	-1.6%	
Colchester Institute	22.6%	£113k	£117k	£122k	
Harlow College	21.6%	£145k	£145k	£145k	
The Sixth Form College Colchester	24.6%	£36k	£37k	£38k	
South Essex College	22.1%	£237k	£247k	£258k	
South Essex Homes Ltd	24.2%	-	-	-	
University Of Essex	25.5%	-1.6%	-1.6%	-1.6%	
USP College	21.3%	£12k	£12k	£12k	
Writtle University College	21.4%	-1.9% plus £112k	-0.9% plus £122k	£132k	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Designated bodies</b>					
Essex Shared Services Ltd	26.3%	-3.2%	-3.2%	-3.2%	
HTS (Property and Environment) Ltd	23.9%	-	-	-	
Juniper Education	26.9%	£19,100	£19,800	£20,600	
Juniper Education (Essex Education Services)	24.4%	2.6%	2.6%	2.6%	
Southend Care Ltd	27.5%	-	-	-	
Qualis Management Ltd	27.2%	-1.3%	-1.3%	-1.3%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Other admission bodies (typically used to be CABs)</b>					
Ardleigh Reservoir Committee	28.4%	-28.4%	-28.4%	-28.4%	
Braintree District Museum Trust	26.6%	£1,620	£1,780	£1,960	
Brentwood Community Transport	30.1%	£1,800	£1,870	£1,940	
Care Quality Commission	27.4%	-27.4%	-27.4%	-27.4%	
Changing Pathways	26.6%	-26.6%	-26.6%	-26.6%	
Chelmer Housing Partnership	21.4%	-1.2% plus £110k	0.8% plus £120k	2.8% plus £130k	
Chelmsford Citizens Advice Bureau	28.4%	-28.4%	-28.4%	-28.4%	
Chelmsford Community Transport	23.3%	-23.3%	-23.3%	-23.3%	
Chelmsford Council for Voluntary Service	29.2%	-29.2%	-29.2%	-29.2%	
The Community Council Of Essex	28.4%	£21,300	£22,000	£23,000	
Eastlight	24.9%	£72,000	£75,000	£78,000	
Epping Forest Community Transport	29.9%	£2,000	£2,200	£2,400	
Essex Association of Local Councils	21.0%	1.6% plus £4,990	1.6% plus £5,180	1.6% plus £5,380	
Essex Partnership University NHS Foundation Trust (EPUNFT)	27.2%	-27.2%	-27.2%	-27.2%	
Harlow District Sports Trust	26.1%	£2,970	£3,090	£3,210	
Moat Housing Group Ltd	24.4%	£18,100	£18,800	£19,500	
Orchestras Live	25.8%	-2.6% plus £6,000	-2.6% plus £6,250	-2.6% plus £6,500	
Phoenix Group Homes	30.8%	-30.8%	-30.8%	-30.8%	
Race Equality Foundation	25.3%	-15.3%	-15.3%	-15.3%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Rochford Housing Association	25.3%	-25.3%	-25.3%	-25.3%	
Safer Places	26.5%	£73k	£76k	£79	
Social Care Institute For Excellence	0.0%	-	-	-	(iii)
Thurrock Community Leisure Ltd	25.1%	-1.5% plus £5,680	-0.6% plus £6,100	£6,300	
Thurrock Lifestyle Solutions CIC	26.5%	-1.9%	-1.9%	-1.9%	
The Trading Standards Institute	24.4%	£50,000	£50,000	£50,000	
University of Essex Commercial Services Ltd	31.3%	-31.3%	-31.3%	-31.3%	
Worthing Homes Ltd	24.5%	-	-	-	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Contractors (Individual Employers)</b>					
APCOA	30.3%	-30.3%	-30.3%	-30.3%	
Aramark	26.4%	-0.2%	-0.2%	-0.2%	(ii)
Ashlyn Healthcare Ltd	27.4%	-27.4%	-27.4%	-27.4%	(ii)
Atalian Servest (William Edwards)	27.0%	-2.1%	-2.1%	-2.1%	
Barnardos	31.1%	-31.1%	-31.1%	-31.1%	(ii)
Dovercourt Healthcare Ltd	33.2%	-33.2%	-33.2%	-33.2%	(ii)
Ecocleen Services Ltd (Ramsey Academy)	30.2%	-5.1%	-5.1%	-5.1%	
Ecocleen Services Ltd (Richard De Clare)	29.6%	-7.6% plus £100	-4.0% plus £120	£160	
Elite Cleaning Services (Mayflower Primary)	25.0%	£590	£610	£530	
Everyone Health Ltd	24.4%	£2,100	£440	-	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Fusion Lifestyle	26.2%	-26.2%	-26.2%	-26.2%	
Goldenley Healthcare Ltd	27.1%	-27.1%	-27.1%	-27.1%	(ii)
H Q Theatres Ltd	22.7%	£6,666	£6,920	£7,180	
Harrison Catering Academy Ltd (Tabor)	26.6%	-	-	-	
Hertfordshire NHS Foundation Trust	22.9%	£10,500	£10,950	£4,750	(ii)
Idverde	28.5%	-23.5%	-23.5%	-23.5%	(ii)
L & L Cleaning (Grange Primary School)	26.3%	0%	0%	0%	
Let's Do Business (Ongar Business Centre)	30.7%	£3,940	£4,090	£4,250	
Longfield Healthcare Ltd	19.0%	-19.0%	-19.0%	-19.0%	(ii)
Mears Limited	30.3%	-30.3%	-30.3%	-30.3%	(ii)
Mitie Security Limited	25.3%	-25.3%	-25.3%	-25.3%	
Mitie Technical FM Ltd	28.5%	-28.5%	-28.5%	-28.5%	
Morgan Sindall Property Services	25.8%	-	-	-	(ii)
Pabulum (Boswells)	34.8%	-12.0%	-12.0%	-12.0%	
Pinnacle F M	23.6%	-	-	-	
Pinnacle Housing Ltd (Basildon)	22.9%	£1,340	£1,400	£1,450	
Pinnacle (Thurrock)	25.8%	£12,500	-	-	(ii)
Places for People Leisure Ltd	24.9%	-1.0%	-1.0%	-1.0%	
Ringway Jacobs Limited	28.2%	-	-	-	
Riverside Truck Rental Ltd	26.0%	-21.0%	-21.0%	-21.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Schools Offices Services Ltd	26.8%	-	-	-	
Skanska (Woodlands School)	27.7%	-22.7%	-22.7%	-22.7%	
Udata Infrastructure (UK) Ltd	23.3%	-	-	-	(ii)
Uttlesford Norse Services Ltd	24.1%	-1.0%	-1.0%	-1.0%	
Wetton Cleaning Services Ltd	24.3%	£6,300	-	-	(ii)

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Contractors (Funding Pool)</b>					
Essex Cares Ltd	25.0%	-25.0%	-25.0%	-25.0%	
Essex Inclusion And Employment	25.0%	-25.0%	-25.0%	-25.0%	(ii)
Essex Community Support Limited	25.0%	-25.0%	-25.0%	-25.0%	(ii)
ECS Ltd Reablement South East	25.0%	-25.0%	-25.0%	-25.0%	(ii)
Essex Community Support Mid	25.0%	-25.0%	-25.0%	-25.0%	(ii)
Essex Community Support North East	25.0%	-25.0%	-25.0%	-25.0%	(ii)
Essex Community Support South West	25.0%	-25.0%	-25.0%	-25.0%	(ii)
Essex Community Support West	25.0%	-25.0%	-25.0%	-25.0%	(ii)
SLM Health & Fitness (SV)	23.4%	-5.5%	-5.5%	-5.5%	
SLM Health & Fitness (LM)	23.4%	-5.5%	-5.5%	-5.5%	
SLM Charitable Trust (SV)	23.4%	-5.5%	-5.5%	-5.5%	
SLM Charitable Trust (LM)	23.4%	-5.5%	-5.5%	-5.5%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Town and parish councils</b>					
Althorne Parish Council	24.2%	0.6%	0.6%	0.6%	
Ardleigh Parish Council	24.2%	0.6%	0.6%	0.6%	
Ashingdon Parish Council	24.2%	0.6%	0.6%	0.6%	
Barling Magna Parish Council	24.2%	0.6%	0.6%	0.6%	
Barnston Parish Council	24.2%	0.6%	0.6%	0.6%	
Billericay Town Council	24.2%	0.6%	0.6%	0.6%	
Birchanger Parish Council	24.2%	0.6%	0.6%	0.6%	
Blackmore Parish Council	24.2%	0.6%	0.6%	0.6%	
Boreham Parish Council	24.2%	0.6%	0.6%	0.6%	
Boxted Parish Council	24.2%	0.6%	0.6%	0.6%	
Bradwell with Pattiswick Parish Council	24.2%	0.6%	0.6%	0.6%	
Brightlingsea Town Council	24.2%	0.6%	0.6%	0.6%	
Broomfield Parish Council	24.2%	0.6%	0.6%	0.6%	
Buckhurst Hill Parish Council	24.2%	0.6%	0.6%	0.6%	
Bulmer Parish Council	24.2%	0.6%	0.6%	0.6%	
Burnham On Crouch Town Council	24.2%	0.6%	0.6%	0.6%	
Canewdon Parish Council	24.2%	0.6%	0.6%	0.6%	
Canvey Island Town Council	24.2%	0.6%	0.6%	0.6%	
Chappel Parish Council	24.2%	0.6%	0.6%	0.6%	
Chignal Parish Council	24.2%	0.6%	0.6%	0.6%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Chigwell Parish Council	24.2%	0.6%	0.6%	0.6%	
Coggeshall Parish Council	24.2%	0.6%	0.6%	0.6%	
Copford with Easthorpe Parish Council	24.2%	0.6%	0.6%	0.6%	
Danbury Parish Council	24.2%	0.6%	0.6%	0.6%	
Earls Colne Parish Council	24.2%	0.6%	0.6%	0.6%	
East Donyland Parish Council	24.2%	0.6%	0.6%	0.6%	
Epping Town Council	24.2%	0.6%	0.6%	0.6%	
Feering Parish Council	24.2%	0.6%	0.6%	0.6%	
Fordham Parish Council	24.2%	0.6%	0.6%	0.6%	
Frinton & Walton Town Council	24.2%	0.6%	0.6%	0.6%	
Galleywood Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Baddow Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Bentley Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Burstead Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Chesterford Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Horkesley Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Notley Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Wakering Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Waltham Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Yeldham Parish Council	24.2%	0.6%	0.6%	0.6%	
Great Dunmow Town Council	24.2%	0.6%	0.6%	0.6%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Halstead Town Council	24.2%	0.6%	0.6%	0.6%	
Harwich Town Council	24.2%	0.6%	0.6%	0.6%	
Hawkwell Parish Council	24.2%	0.6%	0.6%	0.6%	
Herongate and Ingrave Parish Council	24.2%	0.6%	0.6%	0.6%	
Heybridge Parish Council	24.2%	0.6%	0.6%	0.6%	
Hockley Parish Council	24.2%	0.6%	0.6%	0.6%	
Hullbridge Parish Council	24.2%	0.6%	0.6%	0.6%	
Ingatestone & Fryerning Parish Council	24.2%	0.6%	0.6%	0.6%	
Kelvedon Hatch Parish Council	24.2%	0.6%	0.6%	0.6%	
Kelvedon Parish Council	24.2%	0.6%	0.6%	0.6%	
Lambourne Parish Council	24.2%	0.6%	0.6%	0.6%	
Lawford Parish Council	24.2%	0.6%	0.6%	0.6%	
Leigh On Sea Town Council	24.2%	0.6%	0.6%	0.6%	
Little Canfield Parish Council	24.2%	0.6%	0.6%	0.6%	
Little Clacton Parish Council	24.2%	0.6%	0.6%	0.6%	
Little Oakley Parish Council	24.2%	0.6%	0.6%	0.6%	
Little Waltham Parish Council	24.2%	0.6%	0.6%	0.6%	
Little Yeldham Parish Council	24.2%	0.6%	0.6%	0.6%	
Loughton Town Council	24.2%	0.6%	0.6%	0.6%	
Maldon Town Council	24.2%	0.6%	0.6%	0.6%	
Marks Tey Parish Council	24.2%	0.6%	0.6%	0.6%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Mayland Parish Council	24.2%	0.6%	0.6%	0.6%	
Mistley Parish Council	24.2%	0.6%	0.6%	0.6%	
Mountnessing Parish Council	24.2%	0.6%	0.6%	0.6%	
Myland Community Council	24.2%	0.6%	0.6%	0.6%	
Nazeing Parish Council	24.2%	0.6%	0.6%	0.6%	
North Weald Parish Council	24.2%	0.6%	0.6%	0.6%	
Ongar Town Council	24.2%	0.6%	0.6%	0.6%	
Pebmarsh Parish Council	24.2%	0.6%	0.6%	0.6%	
Pleshey Parish Council	24.2%	0.6%	0.6%	0.6%	
Purleigh Parish Council	24.2%	0.6%	0.6%	0.6%	
Rayleigh Town Council	24.2%	0.6%	0.6%	0.6%	
Rayne Parish Council	24.2%	0.6%	0.6%	0.6%	
Runwell Parish Council	24.2%	0.6%	0.6%	0.6%	
Saffron Walden Town Council	24.2%	0.6%	0.6%	0.6%	
Sandon Parish Council	24.2%	0.6%	0.6%	0.6%	
Sible Hedingham Parish Council	24.2%	0.6%	0.6%	0.6%	
Silver End Parish Council	24.2%	0.6%	0.6%	0.6%	
South Hanningfield Parish Council	24.2%	0.6%	0.6%	0.6%	
Southminster Parish Council	24.2%	0.6%	0.6%	0.6%	
South Woodham Ferrers Town Council	24.2%	0.6%	0.6%	0.6%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Springfield Parish Council	24.2%	0.6%	0.6%	0.6%	
St Osyth Parish Council	24.2%	0.6%	0.6%	0.6%	
Stambridge Parish Council	24.2%	0.6%	0.6%	0.6%	
Stansted Mountfitchet Parish Council	24.2%	0.6%	0.6%	0.6%	
Stanway Parish Council	24.2%	0.6%	0.6%	0.6%	
Stebbing Parish Council	24.2%	0.6%	0.6%	0.6%	
Stock Parish Council	24.2%	0.6%	0.6%	0.6%	
Stondon Massey Parish Council	24.2%	0.6%	0.6%	0.6%	
Terling and Fairstead Parish Council	24.2%	0.6%	0.6%	0.6%	
Thaxted Parish Council	24.2%	0.6%	0.6%	0.6%	
Tiptree Parish Council	24.2%	0.6%	0.6%	0.6%	
Tollesbury Parish Council	24.2%	0.6%	0.6%	0.6%	
Wakes Colne Parish Council	24.2%	0.6%	0.6%	0.6%	
Waltham Abbey Town Council	24.2%	0.6%	0.6%	0.6%	
West Bergholt Parish Council	24.2%	0.6%	0.6%	0.6%	
West Horndon Parish Council	24.2%	0.6%	0.6%	0.6%	
West Mersea Town Council	24.2%	0.6%	0.6%	0.6%	
Wickham Bishops Parish Council	24.2%	0.6%	0.6%	0.6%	
Witham Town Council	24.2%	0.6%	0.6%	0.6%	
Wivenhoe Town Council	24.2%	0.6%	0.6%	0.6%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Wormingford Parish Council	24.2%	0.6%	0.6%	0.6%	
Writtle Parish Council	24.2%	0.6%	0.6%	0.6%	

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Academies</b>					
Abbots Hall Primary School	23.0%	2.0%	2.0%	2.0%	
Abbotsweld Primary Academy	23.0%	2.0%	2.0%	2.0%	
Academies Enterprise Trust	23.0%	2.0%	2.0%	2.0%	
Acorn Academy	23.0%	2.0%	2.0%	2.0%	
Alderton Infant School	23.0%	2.0%	2.0%	2.0%	
Alderton Junior School	23.0%	2.0%	2.0%	2.0%	
Alec Hunter Academy	23.0%	2.0%	2.0%	2.0%	
Alton Park Junior School	23.0%	2.0%	2.0%	2.0%	
Anglo European School	23.0%	2.0%	2.0%	2.0%	
The Appleton School	23.0%	2.0%	2.0%	2.0%	
Arthur Bugler Primary School	23.0%	2.0%	2.0%	2.0%	
Ashingdon Primary Academy	23.0%	2.0%	2.0%	2.0%	
Aveley Primary School	23.0%	2.0%	2.0%	2.0%	
Bardfield Academy	23.0%	2.0%	2.0%	2.0%	
Barling Magna Primary Accademy	23.0%	2.0%	2.0%	2.0%	
Barnes Farm Infant School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Barnes Farm Junior School	23.0%	2.0%	2.0%	2.0%	
The Basildon Lower Academy	23.0%	2.0%	2.0%	2.0%	
The Basildon Upper Academy	23.0%	2.0%	2.0%	2.0%	
Beacon Hill Academy	23.0%	2.0%	2.0%	2.0%	
The Beaulieu Park School	23.0%	2.0%	2.0%	2.0%	
Beckers Green Primary School	23.0%	2.0%	2.0%	2.0%	
Becket Keys Church of England Free School	23.0%	2.0%	2.0%	2.0%	
Beckmead Moundwood Academy	23.0%	2.0%	2.0%	2.0%	
Belchamp St Paul C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Belfairs Academy	23.0%	2.0%	2.0%	2.0%	
Belmont Castle Academy	23.0%	1.0%	2.0%	2.0%	
Benyon Primary School	23.0%	2.0%	2.0%	2.0%	
Berlesduna Academy Trust	23.0%	2.0%	2.0%	2.0%	
The Billericay School	23.0%	2.0%	2.0%	2.0%	
Birkin Cleaning Services Ltd (Fitzwimarc School)	23.0%	2.0%	2.0%	2.0%	
Blenheim Primary School	23.0%	2.0%	2.0%	2.0%	
BMAT	23.0%	2.0%	2.0%	2.0%	
BMAT STEM	23.0%	2.0%	2.0%	2.0%	
Bocking Primary School	23.0%	2.0%	2.0%	2.0%	
Bonnygate Primary School	23.0%	2.0%	2.0%	2.0%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
The Boswells School	23.0%	2.0%	2.0%	2.0%	
Bournemouth Park Academy	23.0%	2.0%	2.0%	2.0%	
Bournes Green Infant School	23.0%	2.0%	2.0%	2.0%	
Bournes Green Junior School	23.0%	2.0%	2.0%	2.0%	
Braiswick Primary School	23.0%	2.0%	2.0%	2.0%	
Brentwood County High School	23.0%	2.0%	2.0%	2.0%	
Brentwood Ursuline Convent High School	23.0%	2.0%	2.0%	2.0%	
Briscoe Primary School and Nursery Academy	23.0%	2.0%	2.0%	2.0%	
The Bromfords School	23.0%	2.0%	2.0%	2.0%	
Buckhurst Hill Community Primary School	23.0%	2.0%	2.0%	2.0%	
Bulphan C of E Academy	23.0%	2.0%	2.0%	2.0%	
Burnt Mill Academy	23.0%	2.0%	2.0%	2.0%	
Burrsville Infant Academy	23.0%	2.0%	2.0%	2.0%	
Buttsbury Junior School	23.0%	2.0%	2.0%	2.0%	
Camulos Academy	23.0%	2.0%	2.0%	2.0%	
Cann Hall Primary School	23.0%	2.0%	2.0%	2.0%	
Castle View School	23.0%	2.0%	2.0%	2.0%	
Castledon School	23.0%	2.0%	2.0%	2.0%	
Cater Link Ltd (St Thomas More)	23.0%	2.0%	2.0%	2.0%	
Cecil Jones Academy	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Chadwell St Mary Primary School	23.0%	2.0%	2.0%	2.0%	
Chartwells (ATT)	23.0%	2.0%	2.0%	2.0%	
Chase High School	23.0%	2.0%	2.0%	2.0%	
Chatten Free School	23.0%	2.0%	2.0%	2.0%	
Chelmer Valley High Academy	23.0%	2.0%	2.0%	2.0%	
Chelmsford County High School for Girls	23.0%	2.0%	2.0%	2.0%	
The Chelmsford Learning Partnership	23.0%	2.0%	2.0%	2.0%	
Cherry Tree Academy	23.0%	2.0%	2.0%	2.0%	
Cherry Tree Primary School	23.0%	2.0%	2.0%	2.0%	
Chigwell Primary Academy	23.0%	2.0%	2.0%	2.0%	
Chigwell Row Infant School	23.0%	2.0%	2.0%	2.0%	
Chipping Ongar Primary School	23.0%	2.0%	2.0%	2.0%	
Christus Catholic Trust	23.0%	2.0%	2.0%	2.0%	
Clacton Coastal Academy	23.0%	2.0%	2.0%	2.0%	
Clacton County High School	23.0%	2.0%	2.0%	2.0%	
Cleantec Services Ltd	23.0%	2.0%	2.0%	2.0%	
Colchester Academy	21.1%	2.0%	2.0%	2.0%	
Colchester County High School for Girls	23.0%	2.0%	2.0%	2.0%	
Colchester Royal Grammar School	23.0%	2.0%	2.0%	2.0%	
Colne Community School and College (Secondary and 16 to 19 Provision)	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Colne Engaine C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Columbus School and College	23.0%	2.0%	2.0%	2.0%	
Cooks Spinney Primary School and Nursery	23.0%	2.0%	2.0%	2.0%	
The Cornelius Vermuyden School	23.0%	2.0%	2.0%	2.0%	
Corringham Primary School and Nursery	23.0%	2.0%	2.0%	2.0%	
Crays Hill Primary School	23.0%	2.0%	2.0%	2.0%	
Cressing Primary School	23.0%	2.0%	2.0%	2.0%	
Darlinghurst Academy	23.0%	2.0%	2.0%	2.0%	
Davenant Foundation School	23.0%	2.0%	2.0%	2.0%	
The Deanes	23.0%	2.0%	2.0%	2.0%	
Debden C of E Voluntary Controlled Primary Academy	23.0%	2.0%	2.0%	2.0%	
Debden Park High School	23.0%	2.0%	2.0%	2.0%	
Deneholm Primary School	23.0%	2.0%	2.0%	2.0%	
de Vere Primary School	23.0%	2.0%	2.0%	2.0%	
Dilkes Academy	23.0%	2.0%	2.0%	2.0%	
Diocese of Chelmsford Vine Schools	23.0%	2.0%	2.0%	2.0%	
Doddinghurst C of E Junior School	23.0%	2.0%	2.0%	2.0%	
The Downs Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
East Tilbury Primary School	23.0%	2.0%	2.0%	2.0%	
The Eastwood Academy	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Edwards Hall Primary School	23.0%	2.0%	2.0%	2.0%	
Elm Hall Primary School	23.0%	2.0%	2.0%	2.0%	
Endeavour Co-Operative Academy	23.0%	2.0%	2.0%	2.0%	
Epping St John's C of E School	23.0%	2.0%	2.0%	2.0%	
Epping Upland C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Fairhouse Community Primary School	23.0%	2.0%	2.0%	2.0%	
Fawbert & Barnard's Primary School	23.0%	2.0%	2.0%	2.0%	
Feering C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Felmore Primary School	23.0%	2.0%	2.0%	2.0%	
Finchingfield St John the Baptist CofE Primary Academy	23.0%	2.0%	2.0%	2.0%	
The Fitzwimarc School	23.0%	2.0%	2.0%	2.0%	
The Flitch Green Academy	23.0%	2.0%	2.0%	2.0%	
Ford End Church of England Primary School	23.0%	2.0%	2.0%	2.0%	
Forest Hall School	23.0%	2.0%	2.0%	2.0%	
Freshwaters Primary Academy	23.0%	2.0%	2.0%	2.0%	
Friars Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
Gable Hall Academy	23.0%	2.0%	2.0%	2.0%	
The Gateway Academy	23.0%	2.0%	2.0%	2.0%	
The Gateway Primary Free School	23.0%	2.0%	2.0%	2.0%	
Giffards Primary School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
The Gilberd School	23.0%	2.0%	2.0%	2.0%	
Glebe Primary School	23.0%	2.0%	2.0%	2.0%	
Gosfield Community Primary School	23.0%	2.0%	2.0%	2.0%	
Graham James Primary Academy	23.0%	-0.1%	0.9%	2.0%	
Great Baddow High School	23.0%	2.0%	2.0%	2.0%	
Great Berry Primary School	23.0%	2.0%	2.0%	2.0%	
Great Clacton C of E Junior School	23.0%	2.0%	2.0%	2.0%	
Great Wakering Primary Academy	23.0%	2.0%	2.0%	2.0%	
Greensted Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
Greensted Infant School & Nursery	23.0%	2.0%	2.0%	2.0%	
Greensward Academy	23.0%	2.0%	2.0%	2.0%	
Grove Wood Primary School	23.0%	2.0%	2.0%	2.0%	
Doddinghurst C of E Junior School	23.0%	2.0%	2.0%	2.0%	
The Downs Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
East Tilbury Primary School	23.0%	2.0%	2.0%	2.0%	
The Eastwood Academy	23.0%	2.0%	2.0%	2.0%	
Edwards Hall Primary School	23.0%	2.0%	2.0%	2.0%	
Elm Hall Primary School	23.0%	2.0%	2.0%	2.0%	
Endeavour Co-Operative Academy	23.0%	2.0%	2.0%	2.0%	
Epping St John's C of E School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Epping Upland C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Fairhouse Community Primary School	23.0%	2.0%	2.0%	2.0%	
Fawbert & Barnard's Primary School	23.0%	2.0%	2.0%	2.0%	
Feering C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Felmore Primary School	23.0%	2.0%	2.0%	2.0%	
Finchingfield St John the Baptist CofE Primary Academy	23.0%	2.0%	2.0%	2.0%	
The Fitzwimarc School	23.0%	2.0%	2.0%	2.0%	
The Flitch Green Academy	23.0%	2.0%	2.0%	2.0%	
Ford End Church of England Primary School	23.0%	2.0%	2.0%	2.0%	
Forest Hall School	23.0%	2.0%	2.0%	2.0%	
Freshwaters Primary Academy	23.0%	2.0%	2.0%	2.0%	
Friars Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
Gable Hall Academy	23.0%	2.0%	2.0%	2.0%	
The Gateway Academy	23.0%	2.0%	2.0%	2.0%	
The Gateway Primary Free School	23.0%	2.0%	2.0%	2.0%	
Giffards Primary School	23.0%	2.0%	2.0%	2.0%	
The Gilbert School	23.0%	2.0%	2.0%	2.0%	
Glebe Primary School	23.0%	2.0%	2.0%	2.0%	
Gosfield Community Primary School	23.0%	2.0%	2.0%	2.0%	
Graham James Primary Academy	23.0%	-0.1%	0.9%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Great Baddow High School	23.0%	2.0%	2.0%	2.0%	
Great Berry Primary School	23.0%	2.0%	2.0%	2.0%	
Great Clacton C of E Junior School	23.0%	2.0%	2.0%	2.0%	
Great Wakering Primary Academy	23.0%	2.0%	2.0%	2.0%	
Greensted Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
Greensted Infant School & Nursery	23.0%	2.0%	2.0%	2.0%	
Greensward Academy	23.0%	2.0%	2.0%	2.0%	
Grove Wood Primary School	23.0%	2.0%	2.0%	2.0%	
Great Chesterford C of E Primary Academy	23.0%	2.0%	2.0%	2.0%	
Hadleigh Infant & Nursery School	23.0%	1.8%	2.0%	2.0%	
Hadleigh Junior School	23.0%	2.0%	2.0%	2.0%	
Hamford Primary Academy	23.0%	2.0%	2.0%	2.0%	
Hamstel Infant School & Nursery	23.0%	2.0%	2.0%	2.0%	
Hamstel Junior School	23.0%	2.0%	2.0%	2.0%	
Harlowbury Primary School	23.0%	2.0%	2.0%	2.0%	
Harris Academy Chafford Hundred	23.0%	2.0%	2.0%	2.0%	
Harris Academy Riverside	23.0%	2.0%	2.0%	2.0%	
Harris Primary Academy Mayflower	23.0%	2.0%	2.0%	2.0%	
Harwich And Dovercourt High School	23.0%	2.0%	2.0%	2.0%	
Hassenbrook Academy	23.0%	2.0%	2.0%	2.0%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Hatfield Heath Primary School	23.0%	2.0%	2.0%	2.0%	
The Hathaway Academy	23.0%	2.0%	2.0%	2.0%	
Hedingham School and Sixth Form	23.0%	2.0%	2.0%	2.0%	
Helena Romanes School	23.0%	2.0%	2.0%	2.0%	
Henry Moore Primary School	23.0%	2.0%	2.0%	2.0%	
Greenways Primary School	23.0%	2.0%	2.0%	2.0%	
Grove House School	23.0%	2.0%	2.0%	2.0%	
High Beech C of E Primary School	23.0%	2.0%	2.0%	2.0%	
High Ongar Primary School	23.0%	2.0%	2.0%	2.0%	
Highwoods Community Primary School	23.0%	2.0%	2.0%	2.0%	
Hillhouse C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Hilltop Infant School	23.0%	2.0%	2.0%	2.0%	
Hilltop Junior School	23.0%	1.5%	2.0%	2.0%	
Hinguar Community Primary School	23.0%	2.0%	2.0%	2.0%	
Hockerill Anglo-European College	23.0%	2.0%	2.0%	2.0%	
Hockley Primary School	23.0%	2.0%	2.0%	2.0%	
Holland Park Primary School	23.0%	2.0%	2.0%	2.0%	
Holt Farm Junior School	23.0%	2.0%	2.0%	2.0%	
Holy Cross Catholic Primary School, Harlow	23.0%	0.7%	1.7%	2.0%	
Holy Cross Catholic Primary School, Ockendon	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Holy Family Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
Holy Family Catholic Primary School, Benfleet	23.0%	2.0%	2.0%	2.0%	
Home Farm Primary School	23.0%	2.0%	2.0%	2.0%	
The Honywood Community Science School	23.0%	2.0%	2.0%	2.0%	
Horndon-on-the-Hill C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Howbridge C of E Junior School	23.0%	2.0%	2.0%	2.0%	
Hutton All Saints' C of E Primary School	23.0%	-0.7%	0.3%	2.0%	
Hylands School	23.0%	2.0%	2.0%	2.0%	
Iceni Academy	23.0%	2.0%	2.0%	2.0%	
Ivy Chimneys Primary School	23.0%	2.0%	2.0%	2.0%	
J & J Cleaning	23.0%	1.9%	2.0%	2.0%	
The James Hornsby School	23.0%	2.0%	2.0%	2.0%	
Janet Duke Primary School	23.0%	2.0%	2.0%	2.0%	
Jerounds Primary School	23.0%	2.0%	2.0%	2.0%	
John Ray Junior School	23.0%	2.0%	2.0%	2.0%	
Jotmans Hall Primary School	23.0%	1.8%	2.0%	2.0%	
Joyce Frankland Academy, Newport	23.0%	2.0%	2.0%	2.0%	
Katherine Semar Infants School	23.0%	2.0%	2.0%	2.0%	
Katherine Semar Junior School	23.0%	2.0%	2.0%	2.0%	
Katherines Primary Academy and Nursery	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Kenningtons Primary Academy	23.0%	1.6%	2.0%	2.0%	
Kents Hill Infant Academy	23.0%	2.0%	2.0%	2.0%	
Kents Hill Junior Academy	23.0%	2.0%	2.0%	2.0%	
Kindred (formerly Ridge Crest Cleaning Services, transfer from BMAT)	23.0%	2.0%	2.0%	2.0%	
Kindred (formerly Ridge Crest Cleaning Services, transfer from Colchester Academy)	23.0%	2.0%	2.0%	2.0%	
Kindred (formerly Ridge Crest Cleaning Services, transfer from Hold Farm Junior School)	23.0%	0.7%	1.7%	2.0%	
Kindred (formerly Ridge Crest Cleaning Services, transfer from Richmond Avenue Primary School)	23.0%	2.0%	2.0%	2.0%	
Kindred (SWE CET)	23.0%	2.0%	2.0%	2.0%	
The King Edmund School	23.0%	2.0%	2.0%	2.0%	
King Edward VI Grammar School, Chelmsford	23.0%	0.7%	1.7%	2.0%	
King Harold Business And Enterprise Academy	23.0%	2.0%	2.0%	2.0%	
The King John Academy	23.0%	2.0%	2.0%	2.0%	
Kings Road Primary School	23.0%	2.0%	2.0%	2.0%	
Kingsdown School	23.0%	2.0%	2.0%	2.0%	
Kingsmoor Academy	23.0%	2.0%	2.0%	2.0%	
Kingston Primary School	23.0%	2.0%	2.0%	2.0%	
Kingswode Hoe School	23.0%	2.0%	2.0%	2.0%	
Kirby Primary Academy	23.0%	2.0%	2.0%	2.0%	
L & L Cleaning Services Ltd (Silver End)	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Laindon Park Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
Lambourne Primary School	23.0%	2.0%	2.0%	2.0%	
Lancaster School	23.0%	2.0%	2.0%	2.0%	
Langham Oaks	23.0%	2.0%	2.0%	2.0%	
Lansdowne Primary Academy	23.0%	2.0%	2.0%	2.0%	
Larchwood Primary School	23.0%	2.0%	2.0%	2.0%	
Larkrise Primary School	23.0%	2.0%	2.0%	2.0%	
Latchingdon C of E Voluntary Controlled Primary School	23.0%	2.0%	2.0%	2.0%	
Latton Green Primary Academy	23.0%	2.0%	2.0%	2.0%	
Lawford Mead Primary & Nursery	23.0%	2.0%	2.0%	2.0%	
Lee Chapel Primary School	23.0%	2.0%	2.0%	2.0%	
Leigh Beck Infant School & Nursery Academy	23.0%	2.0%	2.0%	2.0%	
Leigh Beck Junior School	23.0%	2.0%	2.0%	2.0%	
Lewis & Graves Partnership Ltd (Mayflower)	23.0%	2.0%	2.0%	2.0%	
Limes Farm Infant School and Nursery	23.0%	2.0%	2.0%	2.0%	
Little Parndon Primary Academy	23.0%	2.0%	2.0%	2.0%	
Little Thurrock Primary School	23.0%	2.0%	2.0%	2.0%	
Longwood Primary Academy	23.0%	2.0%	2.0%	2.0%	
Lubbins Park Primary Academy	23.0%	2.0%	2.0%	2.0%	
Lyons Hall School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Magna Carta Primary Academy	23.0%	2.0%	2.0%	2.0%	
Maldon Primary School	23.0%	2.0%	2.0%	2.0%	
Maltese Road Primary School	23.0%	2.0%	2.0%	2.0%	
Maltings Academy	23.0%	2.0%	2.0%	2.0%	
Manningtree High School	23.0%	2.0%	2.0%	2.0%	
Maple Grove Primary School	23.0%	2.0%	2.0%	2.0%	
Margaretting C of E Voluntary Controlled Primary School	23.0%	2.0%	2.0%	2.0%	
Mark Hall Academy	23.0%	2.0%	2.0%	2.0%	
Market Field School	23.0%	2.0%	2.0%	2.0%	
Mayflower High School	23.0%	2.0%	2.0%	2.0%	
Maylandsea Primary School	23.0%	2.0%	2.0%	2.0%	
Meadgate Primary School	23.0%	2.0%	2.0%	2.0%	
Merrylands Primary School	23.0%	2.0%	2.0%	2.0%	
Messing Primary School	23.0%	2.0%	2.0%	2.0%	
Mid Essex Co-Operative Academy	23.0%	2.0%	2.0%	2.0%	
Mildmay Junior School	23.0%	2.0%	2.0%	2.0%	
Mildmay Primary School	23.0%	2.0%	2.0%	2.0%	
Milwards Primary School and Nursery	23.0%	2.0%	2.0%	2.0%	
Mistley Norman C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Monkwick Infant and Nursery School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Monkwick Infant and Nursery School	23.0%	2.0%	2.0%	2.0%	
Monkwick Junior School	23.0%	2.0%	2.0%	2.0%	
Montgomerie Primary School	23.0%	2.0%	2.0%	2.0%	
Moulsham Junior School	23.0%	1.5%	2.0%	2.0%	
Moulsham High School	23.0%	2.0%	2.0%	2.0%	
Moulsham Infants School	23.0%	2.0%	2.0%	2.0%	
Mountnessing C of E Primary School	23.0%	2.0%	2.0%	2.0%	
New Rickstones Academy	23.0%	2.0%	2.0%	2.0%	
Newhall Primary Academy	23.0%	2.0%	2.0%	2.0%	
Newlands Spring Primary and Nursery School	23.0%	2.0%	2.0%	2.0%	
Noak Bridge Primary School	23.0%	2.0%	2.0%	2.0%	
North Crescent Primary School	23.0%	2.0%	2.0%	2.0%	
North East Essex Co-Operative Academy	23.0%	2.0%	2.0%	2.0%	
Northlands Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
Northwick Park Primary & Nursery Academy	23.0%	2.0%	2.0%	2.0%	
Notley Green Primary School	23.0%	2.0%	2.0%	2.0%	
Notley High School & Braintree Sixth Form	23.0%	2.0%	2.0%	2.0%	
Oak View School	23.0%	2.0%	2.0%	2.0%	
Oaklands Infant School	23.0%	2.0%	2.0%	2.0%	
The Ockendon Academy	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Olive Ap Academy Thurrock	23.0%	2.0%	2.0%	2.0%	
The Ongar Academy	23.0%	2.0%	2.0%	2.0%	
Ongar Primary School	23.0%	2.0%	2.0%	2.0%	
Ormiston Park Academy	23.0%	2.0%	2.0%	2.0%	
Ormiston Rivers Academy	23.0%	2.0%	2.0%	2.0%	
Orsett C Of E Primary School	23.0%	2.0%	2.0%	2.0%	
Orsett Heath Academy	23.0%	2.0%	2.0%	2.0%	
Our Lady Immaculate Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
Our Lady Of Lourdes Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
Our Lady Of Ransom Catholic Primary School, Rayleigh	23.0%	2.0%	2.0%	2.0%	
Pabulum Ltd (Chase High)	23.0%	2.0%	2.0%	2.0%	
Pabulum Ltd (Portico)	23.0%	2.0%	2.0%	2.0%	
Pabulum (Purfleet Catering)	23.0%	2.0%	2.0%	2.0%	
Parkwood Academy	23.0%	2.0%	2.0%	2.0%	
Passmores Academy Trust	23.0%	2.0%	2.0%	2.0%	
Paxman Academy	23.0%	2.0%	2.0%	2.0%	
Pear Tree Mead Academy	23.0%	1.7%	2.0%	2.0%	
Pemberley Academy	23.0%	2.0%	2.0%	2.0%	
Perryfields Infant School	23.0%	2.0%	2.0%	2.0%	
Perryfields Junior School	23.0%	2.0%	2.0%	2.0%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Philip Morant School and College	23.0%	2.0%	2.0%	2.0%	
The Phoenix Primary School	23.0%	2.0%	2.0%	2.0%	
The Pioneer School	23.0%	2.0%	2.0%	2.0%	
Plumberow Primary Academy	23.0%	2.0%	2.0%	2.0%	
Plume School	23.0%	2.0%	2.0%	2.0%	
Porters Grange Primary School and Nursery	23.0%	2.0%	2.0%	2.0%	
Potter Street Academy	23.0%	-0.4%	0.8%	2.0%	
Powers Hall Academy	23.0%	2.0%	2.0%	2.0%	
Prince Avenue Academy and Nursery	23.0%	2.0%	2.0%	2.0%	
Purfleet Primary Academy	23.0%	2.0%	2.0%	2.0%	
Purford Green Primary school	23.0%	2.0%	2.0%	2.0%	
Purleigh Community Primary School	23.0%	2.0%	2.0%	2.0%	
Quarry Hill Academy	23.0%	2.0%	2.0%	2.0%	
R A Butlers Infants Academy	23.0%	2.0%	2.0%	2.0%	
R A Butlers Junior Academy	23.0%	2.0%	2.0%	2.0%	
Ramsden Hall Academy	23.0%	2.0%	2.0%	2.0%	
The Ramsey Academy, Halstead	23.0%	2.0%	2.0%	2.0%	
Ravens Academy	23.0%	2.0%	2.0%	2.0%	
Rayleigh Primary School	23.0%	2.0%	2.0%	2.0%	
Rayne Primary and Nursery School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Philip Morant School and College	23.0%	2.0%	2.0%	2.0%	
Richard De Clare Community Academy	23.0%	2.0%	2.0%	2.0%	
Richmond Avenue Primary and Nursey School	23.0%	2.0%	2.0%	2.0%	
Ridgewell C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Rivenhall C of E Primary School	23.0%	2.0%	2.0%	2.0%	
The Robert Drake Primary School	23.0%	2.0%	2.0%	2.0%	
Rochford Primary and Nursery School	23.0%	2.0%	2.0%	2.0%	
Roding Valley High School	23.0%	2.0%	2.0%	2.0%	
Rolph Church Of England Primary School and Nursery	23.0%	2.0%	2.0%	2.0%	
Roseacres Primary School	23.0%	2.0%	2.0%	2.0%	
Roxwell Church of England Primary School	23.0%	2.0%	2.0%	2.0%	
Roydon Primary Academy	23.0%	2.0%	2.0%	2.0%	
Runwell Community Primary School	23.0%	2.0%	2.0%	2.0%	
Ryedene Primary and Nursery School	23.0%	2.0%	2.0%	2.0%	
Sacred Heart Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
Saffron Walden County High School	23.0%	2.0%	2.0%	2.0%	
The Sandon School	23.0%	2.0%	2.0%	2.0%	
Sansum Cleaning Solutions	23.0%	2.0%	2.0%	2.0%	
Seax Trust	23.0%	2.0%	2.0%	2.0%	
Shalford Primary School	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Shaw Primary Academy	23.0%	1.9%	2.0%	2.0%	
Shenfield High School	23.0%	2.0%	2.0%	2.0%	
Shenfield St Marys C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Shoeburyness High School	23.0%	2.0%	2.0%	2.0%	
Sigma Trust	23.0%	2.0%	2.0%	2.0%	
Silver End Academy	23.0%	2.0%	2.0%	2.0%	
Sir Frederick Gibberd College	23.0%	2.0%	2.0%	2.0%	
Sir Martin Frobisher Academy	23.0%	2.0%	2.0%	2.0%	
Somers Heath Primary School	23.0%	2.0%	2.0%	2.0%	
South Benfleet Primary School	23.0%	2.0%	2.0%	2.0%	
Southchurch High School	23.0%	2.0%	2.0%	2.0%	
Southend East Community Academy Trust	23.0%	2.0%	2.0%	2.0%	
Southend High School for Boys	23.0%	2.0%	2.0%	2.0%	
Southend High School for Girls	23.0%	2.0%	2.0%	2.0%	
Southend YMCA Community School	23.0%	-0.7%	0.3%	2.0%	
Southminster C of E Primary School	23.0%	2.0%	2.0%	2.0%	
Southview School	23.0%	2.0%	2.0%	2.0%	
St Albans Catholic Academy	23.0%	2.0%	2.0%	2.0%	
St Andrews C of E Primary School, Great Yeldham	23.0%	2.0%	2.0%	2.0%	
St Andrews C of E Primary School, Halstead	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Weeley St Andrews C of E Primary School	23.0%	2.0%	2.0%	2.0%	
St Bernards High School Southend	23.0%	2.0%	2.0%	2.0%	
St Cedds C of E Primary School	23.0%	2.0%	2.0%	2.0%	
St Christophers Academy	23.0%	2.0%	2.0%	2.0%	
St Clare's Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
St Clere's School	23.0%	2.0%	2.0%	2.0%	
St George's Catholic Primary School, Shoeburyness	23.0%	2.0%	2.0%	2.0%	
St Helena School	23.0%	2.0%	2.0%	2.0%	
St Helen's Catholic Primary School, Westcliff-On-Sea	23.0%	2.0%	2.0%	2.0%	
St Helens Catholic Junior School	23.0%	1.2%	2.0%	2.0%	
St James CofE Primary School	23.0%	2.0%	2.0%	2.0%	
St James' C of E Primary School Colchester	23.0%	2.0%	2.0%	2.0%	
St John's C of E Voluntary Controlled Primary School, Buckhurst Hill	23.0%	2.0%	2.0%	2.0%	
St Joseph's Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
St Joseph Catholic Primary School, Stanford-Le-Hope	23.0%	2.0%	2.0%	2.0%	
St Joseph's Catholic Primary School, Canvey Island	23.0%	2.0%	2.0%	2.0%	
St Luke's Catholic Academy	23.0%	2.0%	2.0%	2.0%	
St Margaret's C of E Primary Academy, Bowers Clifford	23.0%	2.0%	2.0%	2.0%	
St Marks West Essex Catholic School	23.0%	2.0%	2.0%	2.0%	
St Martins School Brentwood	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Kelvedon St Mary's Church of England Primary Academy	23.0%	2.0%	2.0%	2.0%	
St Mary's Church of England Primary School, Woodham Ferres	23.0%	2.0%	2.0%	2.0%	
St Nicholas C of E Primary Academy	23.0%	2.0%	2.0%	2.0%	
St Nicholas School	23.0%	2.0%	2.0%	2.0%	
St Osyth C of E Primary School	23.0%	2.0%	2.0%	2.0%	
St Peter's Catholic Primary School, Billericay	23.0%	2.0%	2.0%	2.0%	
St Pius X Catholic Primary	23.0%	2.0%	2.0%	2.0%	
St Teresa's Catholic Primary School, Colchester	23.0%	2.0%	2.0%	2.0%	
St Teresa's Catholic Primary School - Basildon	23.0%	2.0%	2.0%	2.0%	
St Teresa's Catholic Primary School, Rochford	23.0%	2.0%	2.0%	2.0%	
St Thomas More Catholic Primary School Saffron Walden	23.0%	1.8%	2.0%	2.0%	
St Thomas More High School	23.0%	2.0%	2.0%	2.0%	
St Thomas Of Canterbury Catholic Primary School, Grays	23.0%	2.0%	2.0%	2.0%	
Stambridge Primary School	23.0%	2.0%	2.0%	2.0%	
Stanford-Le-Hope Primary School	23.0%	2.0%	2.0%	2.0%	
The Stanway School	23.0%	2.0%	2.0%	2.0%	
Stapleford Abbots Primary School	23.0%	2.0%	2.0%	2.0%	
Staples Road Primary School	23.0%	2.0%	2.0%	2.0%	
Steeple Bumpstead Primary School	23.0%	2.0%	2.0%	2.0%	
Stewards Academy - Science Specialist, Harlow	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Stifford Clays Primary School	23.0%	2.0%	2.0%	2.0%	
Stisted C of E Primary Academy	23.0%	2.0%	2.0%	2.0%	
Sutton House Academy	23.0%	2.0%	2.0%	2.0%	
SWECET	23.0%	2.0%	2.0%	2.0%	
The Sweyne Park School	23.0%	2.0%	2.0%	2.0%	
Tabor Academy	23.0%	2.0%	2.0%	2.0%	
Takeley Primary School	23.0%	2.0%	2.0%	2.0%	
Tany's Dell Primary School and Nursery	23.0%	2.0%	2.0%	2.0%	
Templars Academy	23.0%	2.0%	2.0%	2.0%	
Temple Sutton Primary School	23.0%	2.0%	2.0%	2.0%	
Tendring Technology College	23.0%	2.0%	2.0%	2.0%	
Thames Park Secondary School	23.0%	2.0%	2.0%	2.0%	
Thameside Primary School	23.0%	2.0%	2.0%	2.0%	
Theydon Bois Primary School	23.0%	2.0%	2.0%	2.0%	
The Thomas Lord Audley School	23.0%	2.0%	2.0%	2.0%	
Thorpedene Primary School	23.0%	2.0%	2.0%	2.0%	
Thriftwood School	23.0%	2.0%	2.0%	2.0%	
Thundersely Primary School	23.0%	2.0%	2.0%	2.0%	
Thurstable School Sports College and Sixth Form Centre	23.0%	2.0%	2.0%	2.0%	
Tilbury Pioneer Academy	23.0%	2.0%	2.0%	2.0%	

# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Tiptree Heath Primary School	23.0%	2.0%	2.0%	2.0%	
Tolleshunt D'Arcy St Nicholas Primary Academy	23.0%	2.0%	2.0%	2.0%	
Town & Country	23.0%	2.0%	2.0%	2.0%	
Treetops School	23.0%	2.0%	2.0%	2.0%	
The Trinity School	23.0%	2.0%	2.0%	2.0%	
Tudor Court Primary School	23.0%	2.0%	2.0%	2.0%	
Two Village Church of England Primary School	23.0%	2.0%	2.0%	2.0%	
The Tyrrells School	23.0%	2.0%	2.0%	2.0%	
Unity Primary Academy	23.0%	2.0%	2.0%	2.0%	
Victory Park Academy	23.0%	2.0%	2.0%	2.0%	
Waltham Holy Cross Primary Academy School	23.0%	2.0%	2.0%	2.0%	
Water Lane Primary Academy	23.0%	2.0%	2.0%	2.0%	
Waterman Primary Academy	23.0%	2.0%	2.0%	2.0%	
Warren Primary School	23.0%	2.0%	2.0%	2.0%	
West Hatch High School	23.0%	2.0%	2.0%	2.0%	
West Leigh Junior School	23.0%	2.0%	2.0%	2.0%	
West Thurrock Academy	23.0%	0.4%	1.4%	2.0%	
Westborough Academy	23.0%	2.0%	2.0%	2.0%	
Westcliff High School for Boys Academy	23.0%	2.0%	2.0%	2.0%	
Westcliff High School for Girls	23.0%	2.0%	2.0%	2.0%	



# Essex Pension Fund

## Contribution Rates Schedule - Actuarial Valuation 2022

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
Westerings Primary Academy	23.0%	2.0%	2.0%	2.0%	
Westwood Academy	23.0%	2.0%	2.0%	2.0%	
White Bridge Primary School	23.0%	2.0%	2.0%	2.0%	
White Hall Academy	23.0%	2.0%	2.0%	2.0%	
Whitmore Primary School & Nursery	23.0%	2.0%	2.0%	2.0%	
The Wickford C of E School	23.0%	0.1%	1.1%	2.0%	
William De Ferrers School	23.0%	2.0%	2.0%	2.0%	
William Edwards School	23.0%	2.0%	2.0%	2.0%	
William Martin C of E Infant and Nursery School	23.0%	2.0%	2.0%	2.0%	
William Martin C of E Junior School	23.0%	2.0%	2.0%	2.0%	
Willow Brook Primary School And Nursery	23.0%	2.0%	2.0%	2.0%	
The Willows Primary School	23.0%	2.0%	2.0%	2.0%	
Winter Gardens Academy	23.0%	2.0%	2.0%	2.0%	
Woodham Ley Primary School	23.0%	2.0%	2.0%	2.0%	
Woodlands School	23.0%	1.3%	2.0%	2.0%	
Woodside Academy	23.0%	-	1.0%	2.0%	
Woodville Primary School	23.0%	2.0%	2.0%	2.0%	
Wyburns Primary School	23.0%	2.0%	2.0%	2.0%	
Zenith Multi Academy Trust	23.0%	2.0%	2.0%	2.0%	

# Post 2022 Valuation Employers Rates and adjustment Certificate

Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Specific notes
		2023/24	2024/25	2025/26	
<b>Academies Pool Employers</b>					
Aspens (AET)	23.0%	1.7%	2.0%	2.0%	
CaterLink Ltd (Glebe)	23.0%	2.0%	2.0%	2.0%	
CaterLink Ltd (Hylands)	23.0%	2.0%	2.0%	2.0%	
CaterLink Ltd (Willowbrook)	23.0%	2.0%	2.0%	2.0%	
Chartwells (Lion MAT)	23.0%	2.0%	2.0%	2.0%	
The Hawthorns School	23.0%	2.0%	2.0%	2.0%	
Hertfordshire Catering Ltd (Templefields)	23.0%	2.0%	2.0%	2.0%	
Lee Chapel MAT	23.0%	2.0%	2.0%	2.0%	
Lewis & Graves Partnership Ltd (St Bernards)	23.0%	2.0%	2.0%	2.0%	
Sansum Cleaning Solutions (Staples Road)	23.0%	2.0%	2.0%	2.0%	
South Essex Alliance MAT Central	23.0%	2.0%	2.0%	2.0%	
St John Fisher Catholic Primary School	23.0%	2.0%	2.0%	2.0%	
St Luke's Park Primary School	23.0%	2.0%	2.0%	2.0%	
Wells Park School	23.0%	1.9%	2.0%	2.0%	
William Read Primary School	23.0%	1.9%	2.0%	2.0%	

# Barnett Waddingham Final Comments

## Funding Strategy Statement (FSS)

The assumptions used for the valuation have been documented in a revised Funding Strategy Statement 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
- Regulatory risk
- Climate risk

The sensitivity of the funding results to some of these risks was set out in the sensitivities section of this report. Please note that this is not an exhaustive list. Further information on these risks and more can be found in our initial results report and will be set out in greater detail in the FSS.

## Post valuation events

Since the valuation date, there has been some significant market turbulence including material increases in short-term inflation and gilt yields. There is an ongoing cost of living crisis, as well as political turmoil.

However, our funding model is designed to help withstand short-term volatility in markets as it is a longer-term model. We use smoothed assumptions over a six-month period with the ultimate aim of setting stable contributions for employers. The valuation approach and assumptions are not based on gilt yields and 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 • Regulatory risk • Climate risk.

The sensitivity of the funding results to some of these risks was set out in the sensitivities section of this report.

Please note that this is not an exhaustive list. Further information on these risks and more can be found in our initial results report and will be set out in greater detail in the FSS. PUBLIC Version 1 Essex Pension Fund | Actuarial valuation as at 31 March 2022 | 29 March 2023 18 of 66 the discount rate is derived from the long-term future expected returns on each asset class with a deduction for uncertainty and risk (our prudence adjustment). Therefore, at this stage, the anticipated effect on the long-term funding position is not significant enough to revise our approach.

# Barnett Waddingham Final Comments

Nevertheless, due to the ongoing uncertainty around the shorter-term impact of these issues, we have considered these issues in setting the employer contribution rates to ensure that contributions into the Fund remain appropriate. Most notably, high inflation will have a significant impact in the short term as higher levels of pensions in payment will need to be paid out of the Fund as a result of the anticipated increase of 10.1% in April 2023.

We will continue to monitor the Fund's funding position and raise any individual employer cases with the Fund that we consider need any special attention. The impact of these events will be fully considered as part of the 2025 valuation when we revisit employer contributions.

The next formal valuation is due to be carried out as at 31 March 2025. The financial position of the Fund will be monitored annually during the period leading up to the next formal valuation. We will keep the Fund informed about any additional monitoring work we might recommend.

## Rates and Adjustments Certificate

The contributions payable in respect of benefit accrual and any deficit contributions under each employer's recovery period have been set out in Appendix 5 in the Rates and Adjustments Certificate in accordance with Regulation 62 of the Regulations and cover the period from 1 April 2023 to 31 March 2026. 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 in the Rates and Adjustments Certificate are set so that each employer's 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, recovery of this deficit is targeted in line with the Fund's FSS and all employers are projected to be fully funded after a recovery period length of no more than 18 years from 1 April 2023.

This document has been agreed between the administering authority and the Fund Actuary. Contributions have been set which in our opinion meet the regulatory requirements and the funding objectives set out in the Fund's FSS.

This report is available to all members on the Fund's website.

Graeme D Muir FFA

Partner

Barnett Waddingham LLP

Hagen Eichel FFA

Actuary

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, Corporate 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, Corporate Services Responsibilities

The Executive Director, Corporate 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, Corporate 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, Corporate Services Certificate

I certify that the Statement of Accounts on pages 196 to 251 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 2023 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.

Nicole Wood

*Executive Director, Corporate Services*

***Date of approval to be determined***





# Fund Account

The table below shows the Essex Pension Fund Account for the year ended 31 March 2023 and 31 March 2022:

2021/22		2022/23	
£000	Note	£000	£000
<b>Dealing with members and others directly involved in the Fund</b>			
<b>Income</b>			
(68,094)	9	(73,663)	
(224,231)	9	(240,659)	
(26,082)	9	(17,821)	
(2,618)		(3,052)	
<b>(321,025)</b>			<b>(335,195)</b>
<b>Total income</b>			
<b>Expenditure</b>			
224,908	9	237,646	
34,829	9	35,146	
6,242	9	6,379	
17,892	9	20,546	
<b>283,871</b>			<b>299,717</b>
<b>Total expenditure</b>			
<b>(37,154)</b>			<b>(35,478)</b>
<b>Net (additions)/withdrawals from dealings with members</b>			
81,377	10		84,332
<b>44,223</b>			<b>48,854</b>
<b>Net (additions)/withdrawals including Fund Management expenses</b>			
(125,896)	11	(162,153)	
(828,663)	12	82,873	
3,891		7,500	
<b>(950,668)</b>			<b>(71,780)</b>
<b>Net returns on investments</b>			
<b>(906,445)</b>			<b>(22,926)</b>
<b>Net (increase)/decrease in the net assets available for benefits during the year</b>			
<b>(8,739,136)</b>			<b>(9,645,581)</b>
<b>Opening net assets as at 1 April</b>			
<b>(9,645,581)</b>			<b>(9,668,507)</b>
<b>Closing net assets as at 31 March</b>			

# Net Asset Statement

31 March 2022		31 March 2023	
£000	Note	£000	£000
	<b>Investments</b>		
	<b>12</b>		
	Investment assets		
	Pooled Investments		
418,839	Fixed interest securities	-	
956,555	Fixed Income - ACCESS pooled fixed income funds*	1,324,048	
2,598,348	Equities - Unit life assurance policies	2,562,441	
2,139,042	Equities - ACCESS pooled global equity funds	2,175,693	
-	Equities - Emerging Markets ETF	346,963	
233,401	Indexed linked securities	141,401	
227,785	Property unit trusts	185,726	
1	Other managed funds*	-	
500,582	Equities - market quoted	21	
596,068	Property	606,134	
486,213	Private equity	487,572	
837,168	Infrastructure	996,279	
276,329	Timber	341,308	
102,223	Private debt	192,639	
82	Derivative contracts	-	
218,687	Cash/deposits	263,338	
11,570	Other Investment balances	6,099	
<b>9,602,893</b>			<b>9,629,662</b>
	Investment liabilities		
(82)	Derivative contracts	-	
(1,014)	Other investment balances	(173)	
<b>(1,096)</b>			<b>(173)</b>
<b>9,601,797</b>	<b>Total net Investments</b>		<b>9,629,489</b>
	<b>14 Long term debtors</b>		
4,377	Contributions due from employers		776
	<b>14 Current assets and liabilities</b>		
	Current Assets		
22,026	Cash		20,401
26,522	Contributions due from employers and other current assets		26,045
<b>9,654,722</b>			<b>9,676,711</b>
	Current Liabilities		
(9,141)	Unpaid benefits and other current liabilities		(8,204)
<b>9,645,581</b>	<b>Net assets of the scheme available to fund benefits at the end of the reporting period</b>		<b>9,668,507</b>

## Net Asset Statement

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The table above shows the Essex Pension Fund Net Asset Statement as at 31 March 2023 and 31 March 2022.

\* Fixed Income - ACCESS pooled fixed income funds includes Link Asset Solutions - Alpha Opportunities Fund that was previously classified under Other managed funds

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 3.

# Notes to the Accounts

## 1 Background

### 1.1 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 Essex Pension Fund (“the 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. A complete list of the employers participating in the Fund is contained in Section 4 of this report. 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, Corporate 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 is 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, with UBS Asset Management 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 2023 Link had launched 27 sub funds.

The Fund had transitioned **£6.203bn** into the ACCESS Pool as at 31 March 2023. **£3.499bn** was managed by Link Solutions Limited the Pool Operator including a

# Notes to the Accounts

**£0.425bn** new investment in the 2022/23 financial year (one new asset was transitioned in 2021/22 totalling £0.957bn). The remaining **£2.704bn** was under ACCESS Pool governance and managed by ACCESS's passive provider. It is anticipated that during 2023/24 further investment will be made into the ACS managed by Link.

## 1.2 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 770 active employer organisations within Essex Pension Fund including the county council itself.

Membership details are set out below:

31 March		31 March
2022		2023
54,433	Contributors	59,160
77,268	Deferred pensioners	72,337
48,121	Pensioners	49,770
<b>179,822</b>		<b>181,267</b>

Further Membership details can be found in Section 3.

## 1.3 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 2023. 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. In addition to the employee contributions, the employers contribute to the Fund as well. These contributions are set by rates defined in the triennial valuations; these rates will differ by employer. The last such valuation was at **31 March 2022**. Full details can be found in Section 4 and on the website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk)

## 1.4 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 inflation. 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](http://www.essexpensionfund.co.uk) and Section 3 of this report.



# Notes to the Accounts

## 2 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 2022/23 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 2023 and its position as at 31 March 2023. 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 2023 using IAS19 methodology is included in the notes to the accounts and can be found in Note 3. The actuarial position of the scheme as at 31 March 2022 is dealt within 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.

## 3 Actuarial Valuation

The contributions payable for 2022/23 and 2021/22 were determined by the 2019 Valuations.

### 3.1 Actuarial Valuation 2022

In line with the Local Government Pension Scheme Regulations 2013 the Fund's Actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period.

An Actuarial Valuation of the Essex Pension Fund was carried out as at 31 March 2022 to determine the contribution rates with effect from 1 April 2023 to 31 March 2026.

### Actuarial Approach

Market conditions and the underlying investment performance of the Fund's assets will have a direct impact on the funding position.

The Actuary's approach adopted at the 2022 Actuarial Valuation included 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 2022 to 30 June 2022. The discount rate is based on the expected investment return from the Fund's assets.
- the market value of assets at 31 March 2022 is then adjusted to also be smoothed over the same six-month period so that a consistent comparison can be made with the liabilities.
- the smoothed assets also include a 15% stability reserve deduction which may be used in the instance for future adverse experience to help achieve stability.

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](http://www.essexpensionfund.co.uk), but the main financial assumptions used for assessing the Funding Target and the common contribution rate were as follows:

# Notes to the Accounts

	Financial assumptions	
	2019	2022
Rate of Return	4.50%	4.30%
Rate of discount	4.50%	4.30%
Short term pay increase	n/a	n/a
Long term pay increase	3.60%	3.90%
Rate of increase to pensions in payment	2.60%	2.90%
Pension increases on Guaranteed Minimum Pension (GMP)	Funds will pay limited increases for members that have reached SPA by 6 April 2016, and full increases for others	

The assumed life expectancy from age 65 is as follows:

		31 March 2019 Years	31 March 2022 Years
<b>Life Expectancy from age 65</b>			
<b>Retiring today</b>			
	Males	21.7	21.0
	Females	23.7	23.5
<b>Retiring in 20 years</b>			
	Males	23.1	22.3
	Females	25.1	24.9

The assets were assessed at market value.

On the basis of the assumptions adopted, the Valuation revealed that the value of the Fund's assets of **£8.100bn** represented **102%** of the Funding Target liabilities of **£7.920bn** at the valuation date. This was based on a smoothing adjustment of 98.8% applied to the market value of the assets and a stability reserve of 15%.

The valuation also showed that an average primary contribution rate of **22.0%** of Pensionable Pay per annum was required from employers (**20.0%** as at 31 March 2019). 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.



# Notes to the Accounts

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 next triennial actuarial valuation of the Fund is currently due as at 31 March 2025. Based on the results of this valuation, the contributions payable by the individual employers will be revised with effect from 1 April 2026.

## Funding Strategy

The Funding Strategy 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 funding objectives of the Fund are:

- to prudently set levels of employer contributions that aim to achieve a fully funded position 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 employer's 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 ensure benefits can be met as and when they fall due over the lifetime of the Fund;
- to adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other employers and ultimately the taxpayer from an employer

defaulting on its pension obligations 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.

## 3.2 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, they do not determine the employer contribution. Employer contributions are determined via the Actuarial Valuation as described above.

## 3.3 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 2022.

## Notes to the Accounts

Although the post mortality tables adopted are consistent with those for the most recent valuation, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model (CMI\_2020) which was released in March 2021. This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI.

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 2023 is **17 years** which in turn means a discount rate of **4.80%** per annum (2.60% as at 31 March 2022). 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).

In order to assess the value of the benefit obligations, the actuary has updated the actuarial assumptions (see below) from those used for funding purposes.

31 Mar 2022 £000		31 Mar 2023 £000
(11,628,090)	Present value of the defined benefit obligation	(7,987,386)
9,645,581	Fair value of Fund assets (bid value)*	9,668,537
(1,982,509)	Net Liability	1,681,151

\*Based on IAS26 report (unaudited)  
Please note, the liabilities above are calculated on an IAS 19 basis and therefore will differ from the results of the 2022 triennial funding valuation (Note 3.1).

Key financial assumptions used are:

31 Mar 2022 %		Assumption	31 Mar 2023 %
2.60	Discount rate		4.80
3.20	Pension increases		2.85
4.20	Salary increases		3.85

The key demographic assumptions used (life expectations from age 65) are as follows:

Life Expectancy from age 65	31 March	
	2022 Years	2023 Years
<b>Retiring today</b>		
Males	21.0	21.1
Females	23.5	23.5
<b>Retiring in 20 years</b>		
Males	22.3	22.3
Females	24.9	25.0

# Notes to the Accounts

## McCloud/Sargeant ruling

An allowance was made for the potential impact of the McCloud & Sargeant judgement in the results provided to the Fund at the last accounting date as stated above and therefore is already included in the starting position. This allowance is therefore incorporated in the roll forward approach and is remeasured at the accounting date along with the normal LGPS liabilities.

## 4 Accounting Policies

### 4.1 Fund Account – Revenue Recognition

#### 4.1.1 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.

Employer's 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 financial assets.

#### 4.1.2 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 Note 9).

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.

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

#### 4.1.3 Investment income

### 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

# Notes to the Accounts

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other investment balances due. Investment income also includes withholding tax where this cannot be recovered.

## 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.

## 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 Assets Statement under other investment balances.

## Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amounts not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

## 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.

## 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.

## 4.2 Fund Account – Expense Items

### 4.2.1 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 Assets Statement as current liabilities, provided that payment has been approved.

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

### 4.2.2 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.

# Notes to the Accounts

## Administrative expenses

All administrative expenses are accounted for on an accrual's 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.

## Oversight and governance costs

All oversight and governance expenses are accounted for on an accrual's 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.

## Investment management expenses

All investment management expenses are accounted for on an accrual's 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 2022/23, **£1.253m** of fees is based on such estimates (2021/22: £2.176m). A creditor has been raised and the actual invoice amount is shown within current liabilities.

The costs of the Pension Fund 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.

## 4.3 Net Asset Statement

### 4.3.1 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 Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in fair value of the asset are recognised in the Fund Account.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 12).

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).



# Notes to the Accounts

Each type of investment, in consultation with the Fund's Investment Managers have been assessed and a single level has been applied based on their overall characteristics.

## 4.3.2 Valuation of investments

The value of investments as shown in the Net Assets Statement has been determined as outlined in the following paragraphs.

### 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.

### Unquoted investments

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

#### Unquoted private equity

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 2022/23, the majority of these investments have been valued as at 31 December 2022 so the estimated balance has been reflected.

#### Other unquoted investments

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 managers and are based on industry guidelines and standards set by the constituent documents of the pool or the

management agreement. These investments are based on 31 December 2022 valuations.

### 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.

### Fixed interest investments

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 12).

### Direct Property Investments

Direct property investments have been valued on a fair value basis as at 31 March 2023, by Knight Frank, Chartered Surveyors in accordance with the current edition of the Royal Institute of Chartered surveyors' (RICS) Valuation—Global Standards, which incorporate the International Valuation Standards and RICS UK National Supplement. The valuer's opinion of market value and existing use value was primarily derived using comparable recent market transactions on arm's-length terms, where available, and appropriate valuation techniques (the Investment Method), such as the use of estimated future rental yields and rental values.

# Notes to the Accounts

## Valuations relating to Russia/Belarus/Ukraine Investments

Please note that the Investment valuations as at 31 March 2023 have taken into account the current conflict in Ukraine. Prior to the beginning of the conflict the Fund had minimal direct exposure to investments in Russia/Belarus and Ukraine. The value of these investments was **£201,000** as at 31 March 2022 (**0.002%** of the Fund's value). The value of these investments reflected in the accounts as at 31 March 2023 was **£8,000** (**0.0001%** of the Fund's value).

### 4.3.3 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.

### 4.3.4 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.

### 4.3.5 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 13.

The AVC providers to the Fund are The Equitable Life Assurance Society, Prudential and Standard Life.

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.

## 5 Critical judgements in applying accounting policies

In applying the accounting policies set out within Note 4, the Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events. No critical judgements have been made in the Fund Accounts.



# Notes to the Accounts

## 6 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 Assets Statement at 31 March 2023 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.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance:
		A 0.1% p.a. decrease in the discount rate assumption would result in an increase in the pension liability of £132m.
		A 0.1% increase in the Pensions and deferred revaluations would result in an increase in the pension liability of £126m.
		A 0.1% increase in the long-term rate of salary increase would increase the value of liabilities by approximately £9m.
		Increasing the life expectancy assumptions by 1 year would increase the liability by approximately £290m.
		Please note that because the liability associated with the actuarial present value of promised retirement benefits is not recognised in the Fund's financial statements, the changes in assumptions referred to above have no impact on amounts recognised in the Net Assets Statement.

# Notes to the Accounts

Item	Uncertainties	Approximate effect if actual results differ from assumptions
Property	<p style="text-align: center;"><b>Direct Property</b></p> <p>Property valuation is performed by independent external valuers, in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards. Valuation techniques are used to determine the carrying amount of 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, changes in market process, changes in volume of sales and purchases or the discount rate could affect the fair value of property.</p>	<p>The effect of variations in the factors supporting the valuation could result in an increase or decrease in the value of:</p> <ul style="list-style-type: none"> <li>directly held property by +/- 20% an increase or decrease of £83.064m, on current value of £414.320m (Notes 17.1 and 17.4).</li> </ul>
	<p style="text-align: center;"><b>Pooled property funds and global property</b></p> <p>Valuation techniques are used to determine the carrying amount of pooled property funds and global property. Where possible management uses the best available data. Uncertainties including changes in rental growth, covenant strength for existing tenancies, discount rate could affect the fair value of the property investments.</p>	<p>The effect of variations in the factors supporting the valuation could result in an increase or decrease in the value of:</p> <ul style="list-style-type: none"> <li>pooled property funds by +/- 20% an increase or decrease of £37.145m, on current value of £185.726m (Notes 17.1 and 17.4)</li> <li>global held property by +/- 15.5% an increase or decrease of £29.576m, on current value of £190.814m (Notes 17.1 and 17.4).</li> </ul>

# Notes to the Accounts

Item	Uncertainties	Approximate effect if actual results differ from assumptions
Private equity / infrastructure / timber/private debt	There is a degree of estimation involved in the valuation of these assets. Uncertainties including changes in market activity, credit risks, expected cash flows, discount rates used can impact valuations.	The total private equity/ infrastructure/ timber and private debt investments in the financial statements is £2,018m. There is a risk that these investments may be under or overstated in the accounts, totalling an increase/decrease of £156.774m (Notes 17.1 and 17.4).

\*Results taken from the Actuary's IAS26 Report

## 7 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:

1. those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period), and
2. those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period).

There have been no adjusting or non-adjusting events taking place between 31 March 2023 and date to be determined.

## 8 Accounting Standards Issued, Not Adopted

The International Accounting Standards Board (IASB) has issued International Financial Reporting Standard 16 Leases (IFRS16). When this Standard is adopted by the Fund, no later than in 2024/25, most of the assets secured through a lease arrangement will be recognised on the Net Asset Statement as 'right of use' assets, together with the corresponding lease liabilities. This differs from the current practice of only recognising the assets and liabilities associated with the finances leases entered by the Fund on its Net Asset Statement. The impact of this new standard has not yet been determined for the Fund.

# Notes to the Accounts

## 9 Membership activities

### 9.1 Pension benefits payable

2021/22			2022/23		
Pensions	Commutation of pensions & lump sum	Lump sum death benefits	Pensions	Commutation of pensions & lump sum	Lump sum death benefits
£000	£000	£000	£000	£000	£000
77,683	8,808	1,933	80,849	8,216	1,499
124,099	22,089	3,658	132,329	23,017	4,315
13,568	1,626	200	14,104	2,128	120
8,670	2,009	314	9,431	1,616	424
888	297	137	933	169	21
<b>224,908</b>	<b>34,829</b>	<b>6,242</b>	<b>237,646</b>	<b>35,146</b>	<b>6,379</b>
		<b>Total</b>			

### 9.2. Contributions Receivable

Contributions receivable from employers are set out below:

#### 9.2.1 By category

2021/22		2022/23
£000		£000
<b>68,094</b>	<b>Employee's normal contributions</b>	<b>73,663</b>
	<b>Employers' contributions</b>	
203,940	Normal contributions	222,175
18,282	Deficit recovery contributions	16,498
2,009	Augmentation contributions	1,986
<b>224,231</b>	<b>Total employer contributions</b>	<b>240,659</b>
<b>292,325</b>	<b>Total</b>	<b>314,322</b>

For the purposes of the above table, the terminology used in the Actuarial Report included in the Pension Fund Annual Report and Accounts has been changed to:

- Employer normal contributions – primary contributions;
- Deficit contribution – secondary contributions;
- Employer augmentation relates to payments for the cost of early retirements.

# Notes to the Accounts

## 9.2.2 By type

2021/22			2022/23	
Member	Employer		Member	Employer
£000	£000		£000	£000
18,690	54,909	Administering Authority	20,372	60,558
46,112	153,016	Scheduled Bodies	50,159	168,697
1,695	11,178	Community Admission Bodies	1,594	6,490
1,232	3,775	Transferee Admission Bodies	1,130	3,401
365	1,353	Resolution Bodies	408	1,513
<b>68,094</b>	<b>224,231</b>	<b>Total</b>	<b>73,663</b>	<b>240,659</b>

## 9.3 Payments to and on account of leavers

2021/22			2022/23
£000			£000
1,060	Refunds of contributions		1,130
	Transfer out		
16,832	Individual transfers		19,416
<b>17,892</b>	<b>Total</b>		<b>20,546</b>

In 2022/23 and 2021/22 no bulk group transfers were made.

## 10 Management Expenses

### 10.1 By Type

2021/22			2022/23
£000			£000
3,248	Administration costs		3,765
76,609	Investment management expenses		75,014
1,520	Oversight and governance		1,810
-	Other*		3,743
<b>81,377</b>	<b>Total</b>		<b>84,332</b>

- Other relates to the write-off of a Deferred Debt Arrangement. Please see Note 14.2 for further details.

ACCESS ongoing costs were £107,000 for 2022/23 (2021/22: £95,000). These costs are shown under oversight and governance costs line of the above note.

In 2022/23 external audit costs were £52,000 of which £8,000 were rechargeable and relate to additional fees for work undertaken to provide assurance for scheduled bodies on IAS19 accounting disclosures (£40,000 and £7,000 respectively in 2021/22).

# Notes to the Accounts

## 10.2 Investment Management Expenses

2021/22	Management fees £000	Performance related fees £000	Transaction costs £000	Total £000
Pooled Investments				
Fixed Interest Securities	2,748	-	250	2,998
Fixed Income - ACCESS pooled fixed income funds	2,828	-	256	3,084
Equities - Unit life assurance policies	815	-	-	815
Equities - ACCESS pooled global equity funds	8,465	-	-	8,465
Equities - Emerging Markets ETF	-	-	-	-
Index linked securities	20	-	-	20
Property unit trusts	1,075	-	-	1,075
Other managed funds	-	-	-	-
Equities - market quoted	4,235	-	678	4,913
Property	2,648	-	-	2,648
Global property	4,061	4,142	-	8,203
Private equity	4,724	8,986	1	13,711
Infrastructure	10,303	11,830	-	22,133
Timber	3,134	162	-	3,296
Private Debt	1,651	1,582	-	3,233
Other investment management costs	255	-	-	255
	<b>46,962</b>	<b>26,702</b>	<b>1,185</b>	<b>74,849</b>
Custody Fees				1,760
<b>Total</b>				<b>76,609</b>
2022/23	Management fees £000	Performance related fees £000	Transaction costs £000	Total £000
Pooled Investments				
Fixed Interest Securities	2,322	-	132	2,454
Fixed Income - ACCESS pooled fixed income funds	3,620	-	358	3,978
Equities - Unit life assurance policies	1,172	-	-	1,172
Equities - ACCESS pooled global equity funds	7,903	-	-	7,903
Equities - Emerging Markets ETF	-	-	504	504
Index linked securities	17	-	-	17
Property unit trusts	1,036	-	-	1,036
Other managed funds	-	-	-	-
Equities - market quoted	1,370	-	237	1,607
Property	7,182	-	-	7,182
Global property	4,943	1,190	-	6,133
Private equity	4,821	4,316	2	9,139
Infrastructure	11,069	13,045	-	24,114
Timber	2,278	1,046	-	3,324
Private Debt	3,690	2,287	-	5,977
Other investment management costs	234	-	-	234
	<b>51,657</b>	<b>21,884</b>	<b>1,233</b>	<b>74,774</b>
Custody Fees				240
<b>Total</b>				<b>75,014</b>

# Notes to the Accounts

Custody fees are made up of fees paid to the Fund's Global Custodian, Northern Trust and other out of pocket custody expenses. These were **£91,000** and **£149,000** in 2022/23 respectively (£247,000 and £1.513m in 2021/22).

## 11 Investment Income

### 11.1 By Type

2021/22 £000		2022/23 £000
16,750	Dividends from equity	15,365
23,969	Dividends from equity pooled funds	28,632
8,515	Private equity Income	11,298
43,911	Infrastructure/timberland Income	49,661
7,746	Managed fund income	8,478
-	Income from fixed income pooled funds	16,573
6,466	Income from pooled property investments	6,126
13,421	Net rent from property	11,789
294	Interest from cash deposits	4,688
2,044	Other	2,185
<b>123,116</b>	<b>Total investment income showing net property rent</b>	<b>154,795</b>
	Add back:	
2,780	Property operating expenses	7,358
<b>125,896</b>	<b>Total investment income showing gross property rent</b>	<b>162,153</b>

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.

### 11.2 Investment property net rental

2021/22 £000		2022/23 £000
16,226	Rental Income from investment property	19,063
(25)	Other property income	84
(2,780)	Direct operating expenses arising from investment property	(7,358)
<b>13,421</b>	<b>Total</b>	<b>11,789</b>

Please note, no contingent rents have been included in the Fund Account as income for the year.



# Notes to the Accounts

## 12 Investments

### 12.1 Value of investments by fund manager

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

31 March 2022			31 March 2023	
£m	%		£m	%
<b>Investments managed inside the ACCESS Pool</b>				
659	6.9	Link Asset Solutions - Long Term Global Growth Fund	628	6.5
774	8.1	Link Asset Solutions - Global Dividend Fund	802	8.3
706	7.3	Link Asset Solutions - Global Equity Fund	746	7.7
956	10.0	Link Asset Solutions - Alpha Opportunities Fund	898	9.3
-	-	Link Asset Solutions - Janus Henderson	425	4.4
2,832	29.4	UBS Asset Management	2,704	28.1
<b>5,927</b>	<b>61.7</b>		<b>6,203</b>	<b>64.3</b>
<b>Investments managed outside ACCESS Pool</b>				
102	1.1	Alcentra Ltd	101	1.1
762	7.9	Aviva Investors	662	6.9
369	3.8	Stewart Investors	1	-
-	-	Emerging Markets ETF	347	3.6
419	4.4	Goldman Sachs Asset Management International	-	-
557	5.8	Hamilton Lane	585	6.1
297	3.1	IFM Investors	344	3.6
210	2.2	JP Morgan Asset Management	330	3.4
162	1.7	Marathon Asset Management Ltd	1	-
334	3.5	Partners Group Management II S.à r.l (Infrastructure)	325	3.4
121	1.3	Partners Group Management II S.à r.l (Global Property)	191	2.0
-	-	Permira	92	1.0
280	2.9	Stafford Timberland Limited	341	3.5
62	0.6	Other*	106	1.1
<b>3,675</b>	<b>38.3</b>		<b>3,426</b>	<b>35.7</b>
<b>9,602</b>	<b>100.0</b>	<b>Total</b>	<b>9,629</b>	<b>100.0</b>

\*The balance of £106m held under Other as at 31 March 2023 (£62m as at 31 March 2022) was operational cash being held on a temporary basis by the Fund.

# Notes to the Accounts

## 12.2 Investments by asset type

The tables below provide an analysis of investment assets by type and show the movements in the market value of the investments, including profits and losses realised on the sales of investments:

2021/22	2021/22 Movement						Value at 31 March 2022 £000
	Value at 1 April 2021 £000	Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
<b>Total Pooled Investments</b>	<b>5,916,874</b>	<b>331,099</b>	<b>4</b>	<b>(30,875)</b>	<b>356,869</b>	<b>-</b>	<b>6,573,971</b>
Fixed interest securities	425,110	-	-	(865)	(5,406)	-	418,839
Fixed Income - ACCESS pooled fixed income funds	-	233,744	729,681	(973)	(5,897)	-	956,555
Equities - Unit life assurance policies	2,322,874	50,000	-	-	225,474	-	2,598,348
Equities - ACCESS pooled global equity funds	2,044,184	23,968	-	(8,465)	79,355	-	2,139,042
Equities - Emerging Markets ETF	-	-	-	-	-	-	-
Index linked securities	222,663	-	-	-	10,738	-	223,401
Property unit trusts	179,292	23,387	-	(18,717)	43,823	-	227,785
Other managed funds	722,751	-	(729,677)	(1,855)	8,782	-	1
<b>Equities - market quoted</b>	<b>751,629</b>	<b>426,742</b>	<b>-</b>	<b>(731,532)</b>	<b>53,743</b>	<b>-</b>	<b>500,582</b>
<b>Property</b>	<b>436,570</b>	<b>106,240</b>	<b>-</b>	<b>(38,092)</b>	<b>91,350</b>	<b>-</b>	<b>596,068</b>
<b>Private equity</b>	<b>409,514</b>	<b>71,945</b>	<b>-</b>	<b>(161,279)</b>	<b>166,033</b>	<b>-</b>	<b>486,213</b>
<b>Infrastructure</b>	<b>607,190</b>	<b>163,196</b>	<b>-</b>	<b>(37,332)</b>	<b>104,114</b>	<b>-</b>	<b>837,168</b>
<b>Timber</b>	<b>244,419</b>	<b>8,798</b>	<b>-</b>	<b>(22,751)</b>	<b>45,863</b>	<b>-</b>	<b>276,329</b>
<b>Private Debt</b>	<b>152,808</b>	<b>3,297</b>	<b>-</b>	<b>(60,919)</b>	<b>7,037</b>	<b>-</b>	<b>102,223</b>
<b>Cash</b>							
Cash deposits held at the custodian/other	<b>206,044</b>	-	-	<b>(3,682)</b>	<b>3,682</b>	<b>12,643</b>	<b>218,687</b>
Sterling	145,534	-	-	-	-	(25,999)	119,535
Foreign currency	60,510	-	-	(3,682)	3,682	38,642	99,152
	<b>8,725,048</b>	<b>1,111,317</b>	<b>4</b>	<b>(1,086,462)</b>	<b>828,691</b>	<b>12,643</b>	<b>9,591,241</b>
Derivative forward foreign currency contracts	-	65	-	(37)	(28)	-	-
	<b>8,725,048</b>	<b>1,111,382</b>	<b>4</b>	<b>(1,086,499)</b>	<b>828,663</b>	<b>12,643</b>	<b>9,591,241</b>

# Notes to the Accounts

2021/22	2021/22 Movement						Value at 31 March 2022 £000
	Value at	Change in					
	1 April		Net	Sale	Market	Cash	
	2021 £000	Purchases £000	Transfers £000	Proceeds £000	Value £000	Movement £000	
<b>Other Investment balances</b>							
<b>Assets</b>	<b>10,090</b>						<b>11,570</b>
Amounts receivable for sales of investments	847						487
Investment income due	9,243						9,896
Amounts receivable in respect of global liquidity fund	-						1,187
<b>Liabilities</b>	<b>(60,598)</b>						<b>(1,014)</b>
Amounts payable for purchase of investments	(60,107)						(655)
Investment withholding tax payable	(214)						(359)
Amounts payable in respect of global liquidity fund	(277)						-
	<b>8,674,540</b>						<b>9,601,797</b>

# Notes to the Accounts

2022/23	2022/23 Movement						Value at 31 March 2023 £000
	Value at 1 April 2022 £000	Purchases £000	Net Transfers £000	Sale Proceeds £000	Change in Market Value £000	Cash Movement £000	
<b>Total Pooled Investments</b>	<b>6,573,971</b>	<b>908,729</b>	<b>339,426</b>	<b>(898,056)</b>	<b>(187,798)</b>	-	<b>6,736,272</b>
Fixed interest securities	418,839	-	-	(416,614)	(2,225)	-	-
Fixed Income - ACCESS pooled fixed income funds	956,555	435,413	(527)	(79,426)	12,033	-	1,324,048
Equities - Unit life assurance policies	2,598,348	36,122	-	(26,122)	(45,907)	-	2,562,441
Equities - ACCESS pooled global equity funds	2,139,042	74,631	-	(7,903)	(30,077)	-	2,175,693
Equities - Emerging Markets ETF	-	359,111	339,953	(329,021)	(23,080)	-	346,963
Index linked securities	233,401	-	-	(20,000)	(72,000)	-	141,401
Property unit trusts	227,785	3,452	-	(18,970)	(26,541)	-	185,726
Other managed funds	1	-	-	-	(1)	-	-
<b>Equities - market quoted</b>	<b>500,582</b>	<b>29,848</b>	<b>(339,953)</b>	<b>(181,351)</b>	<b>(9,105)</b>	-	<b>21</b>
<b>Property</b>	<b>596,068</b>	<b>95,036</b>	-	<b>(28,008)</b>	<b>(56,962)</b>	-	<b>606,134</b>
<b>Private equity</b>	<b>486,213</b>	<b>70,039</b>	<b>3,182</b>	<b>(82,521)</b>	<b>10,659</b>	-	<b>487,572</b>
<b>Infrastructure</b>	<b>837,168</b>	<b>171,447</b>	-	<b>(141,064)</b>	<b>128,728</b>	-	<b>996,279</b>
<b>Timber</b>	<b>276,329</b>	<b>67,819</b>	-	<b>(23,450)</b>	<b>20,610</b>	-	<b>341,308</b>
<b>Private Debt</b>	<b>102,223</b>	<b>100,304</b>	-	<b>(14,890)</b>	<b>5,002</b>	-	<b>192,639</b>
<b>Cash</b>							
Cash deposits held at the custodian/other	<b>218,687</b>	-	-	<b>(5,709)</b>	<b>5,709</b>	<b>44,651</b>	<b>263,338</b>
Sterling	119,535	-	-	-	-	38,493	158,028
Foreign currency	99,152	-	-	(5,709)	5,709	6,158	105,310
	<b>9,591,241</b>	1,443,222	2,655	(1,375,049)	(83,157)	44,651	<b>9,623,563</b>
Derivative forward foreign currency contracts	-	94	-	(378)	284	-	-
	<b>9,591,241</b>	1,443,316	2,655	(1,375,427)	(82,873)	44,651	<b>9,623,563</b>

# Notes to the Accounts

2022/23	2022/23 Movement						Value at 31 March 2023 £000
	Value at	Change in					
	1 April	Net	Sale	Market	Cash		
	2022	Transfers	Proceeds	Value	Movement		
£000	£000	£000	£000	£000	£000	£000	
<b>Other Investment balances</b>							
<b>Assets</b>	<b>11,570</b>					<b>6,099</b>	
Amounts receivable for sales of investments	487					-	
Investment income due	9,896					6,099	
Amounts receivable in respect of global liquidity fund	1,187					-	
<b>Liabilities</b>	<b>(1,014)</b>					<b>(173)</b>	
Amounts payable for purchase of investments	(655)					-	
Investment withholding tax payable	(359)					-	
Amounts payable in respect of global liquidity fund	-					(173)	
	<b>9,601,797</b>					<b>9,629,489</b>	

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.

## 12.3 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 2022 £000	31 March 2022 %		31 March 2023 £000	31 March 2023 %
-	-	UBS Asset Management Life Global Equity Sustainable Transition	1,631,157	16.9
935,473	9.7	UBS Asset Management Life All World Equity Tracker Hedged	931,284	9.7
956,555	10.0	Link Asset Solutions - Alpha Opportunities Fund	898,496	9.3
774,467	8.1	Link Asset Solutions - Global Dividend Fund	801,761	8.3
705,709	7.3	Link Asset Solutions - Global Equity Fund	746,104	7.7
658,866	6.9	Link Asset Solutions Long Term Global Growth Fund	627,829	6.5
555,651	5.8	UBS Asset Management Life USA Equity Tracker Hedged	-	-

# Notes to the Accounts

## 12.4 Property Holdings

### Rent receivable from operating leases

The table below shows the rent receivable from operating leases due to the Fund as at 31 March:

2021/22 £000	2022/23 £000
16,023 Within one year	18,178
45,169 Between one and five years	48,879
53,573 Beyond five years	69,074
<b>114,765 Total</b>	<b>136,131</b>

The above disclosure has been reduced by a loss allowance of 7.7% per annum (2021/22: 10.2%) 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 2023.

### Movement in the fair value of investment properties

	Freehold £000	Leasehold £000	Total £000
<b>Fair value at 1 April 2021</b>	<b>322,350</b>	<b>83,500</b>	<b>405,850</b>
Additions	29,498	10	29,508
Disposals	(17,250)	(12,640)	(29,890)
Net gain/loss on fair value	62,202	6,980	69,182
<b>Fair value at 31 March 2022</b>	<b>396,800</b>	<b>77,850</b>	<b>474,650</b>
Additions	34,957	54	35,011
Disposals	(10,800)	(11,075)	(21,875)
Net gain/loss on fair value	(65,537)	(6,929)	(72,466)
<b>Fair value at 31 March 2023</b>	<b>355,420</b>	<b>59,900</b>	<b>415,320</b>

# Notes to the Accounts

## 13 Additional Voluntary Contributions (AVC) Investments

A summary of the information provided by Equitable Life, Prudential and Standard Life to the Fund is shown in the table below.

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

2021/22		2022/23
£000		£000
8,639	Value of AVC fund at beginning of year	9,750
1,382	Employees contributions	1,559
751	Investment income and change in market value	257
(1,022)	Benefits paid and transfers out	(1,238)
<b>9,750</b>		<b>10,328</b>

### 13.2 Analysis of AVC investments by Provider

2021/22		2022/23
£000		£000
46	Utmost (formerly Equitable Life)	42
5,972	Prudential*	7,055
3,732	Standard Life	3,231
<b>9,750</b>		<b>10,328</b>

\*The Prudential were not able to confirm their Fund's balance as at 31 March 2023 at the time of the accounts being drafted. This is due to the ongoing impact on their operations, following a new system implementation in 2020. The Statement as at 31 March 2022 was received in November 2022 and the movement is reflected in 2022/23 (the Statement as at 31 March 2021 was reflected in 2021/22).

## 14 Current Assets and Liabilities

### 14.1 Analysis of current assets

31 March 2022		31 March 2023	
£000		£000	£000
<b>Cash Balances</b>			
(173)	Cash at bank	(144)	
22,199	Cash on short term deposits within 3 months	20,545	
<b>22,026</b>			<b>20,401</b>
<b>Debtors and payments in advance</b>			
5,785	Contributions due – employees	5,770	
19,533	Contributions due – employers	19,052	
1,204	Sundry Debtors	1,223	
<b>26,522</b>			<b>26,045</b>
<b>48,548</b>	<b>Total</b>		<b>46,446</b>



# Notes to the Accounts

## 14.2 Analysis of long-term debtors by type

31 March 2022 £000		31 March 2023 £000
3,941	Other employer contributions due	198
436	Reimbursement of life time allowances	578
<b>4,377</b>	<b>Total</b>	<b>776</b>

Following the 2022 Valuation the Employer with a deferred debt arrangement requested a revaluation of the exit costs. Due to the Fund's positive performance and other factors over the year, it resulted in there being no debt remaining at 31 March 2023. Following this the long-term debtor has been written off as it is no longer due.

Introduced in 2016 the lifetime 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 or part of the tax upfront on the individual's behalf and are reimbursed by additional pension deductions over time. A long-term debtor of **£578,000** has been raised in 2022/23 in this regard (£436,000 in 2021/22).

## 14.3 Analysis of current liabilities

31 March 2022 £000		31 March 2023 £000
	<b>Unpaid benefits and other current liabilities</b>	
(386)	Contributions due – employers	(345)
(3,131)	Investment manager fees payable	(2,081)
(4,985)	Benefits payable	(5,320)
(639)	Other	(458)
<b>(9,141)</b>	<b>Total</b>	<b>(8,204)</b>

## 14.4 Contingent Liabilities and Contractual Commitments

As at 31 March 2023 the Fund had a commitment to contribute a further **£1.282bn** to its existing partnership investments, including private equity, infrastructure, private debt, timber and direct lending (£1.212bn as at 31 March 2022). 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.

## 15 Related Party Transactions

The Fund is required to disclose material transactions with bodies or individuals that have the potential to control or influence the Fund, or to be controlled or influenced by the Fund. 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.

# Notes to the Accounts

## 15.1 Administration of the Fund

The Essex Pension Fund is administered by Essex County Council.

The Council incurred gross costs of **£3.930m** in 2022/23, of which **£321,000** was outstanding at 31 March 2023 (£3.589m in 2021/22, of which £351,000 was outstanding at 31 March 2022) 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 **£60.558m** to the Fund in 2022/23 (£54.909m in 2021/22). No significant amounts were owing to the Fund as at the end of 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 Strategy as agreed by the Essex Pension Fund Investment Steering Committee on 23 February 2022. This service is provided to the Fund at a cost of **£28,000** in 2022/23 (£28,000 in 2021/22).

During the year to 31 March 2023, the Pension Fund had an average investment balance of **£27.070m** (£36/650m in 2021/22) earning **£471,000** interest (£21,000 in 2020/22).

## 15.2 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 are 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.

## 15.3 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 2022/23, were also members of the LGPS are listed to the side.

### County Councillors

Cllr S. Barker

Cllr M. Mackrory

### Representative of Scheme Employers

C. Riley

### Representative of Scheme Members

S. Child

# Notes to the Accounts

## Representative of Scheme Employers

J. Durrant

## Representative of Scheme Employers

A. Coburn

C. Downes

D. Hurst

S. Roberts

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 Board (Essex Pension Fund Advisory Board), who, during 2022/23, were also members of the LGPS are listed to the side:

The employees of Essex County Council who held key positions in the financial management of the Essex Pension Fund during 2022/23 and were also members of the Fund were the Executive Director, Corporate Services, the Director for Essex Pension Fund and four Head of Essex Pension Fund roles. During 2022/23 approximately 2% of the Executive Director, Corporate Services time was spent on the Pension Fund, with the other officers spending 100% of their time in this way. The short-term benefits (pay) associated with the time spent by these staff working on the Fund and the current service cost i.e. the increase in the value of the Fund's future pension liabilities arising out of the employees on-going membership of the Fund are shown below:

2021/22		2022/23
£000		£000
136	Sort-term benefits	220
171	Current service costs	199
<b>307</b>		<b>419</b>

## 16 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:

2021/22		2022/23
£000		£000
1,305	Administering Authority	1,267
4,818	Scheduled Bodies	4,755
80	Community Admission Bodies	81
2	Resolution Bodies	3
19	Former Employers	20
<b>6,224</b>		<b>6,126</b>

# Notes to the Accounts

## 17 Fair Value - Basis of valuation

### 17.1 Fair Value Hierarchy

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

- **Level 1** - Assets and liabilities 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.
- **Level 2** - Assets and liabilities 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.
- **Level 3** - Assets and liabilities 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.

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.

The table below sets the valuation basis used. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information:

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Stewart Investors/ Marathon Asset Management Ltd	Market quoted equities	Level 1	Published Bid Market Price.	N/A	N/A

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Emerging Markets ETF	Exchange Traded Fund	Level 1	Net Asset Value / Bid Market Price.	N/A	N/A
Link Asset Solutions	Pooled global equities funds	Level 1	Net Asset Value / Bid Market Price.	N/A	N/A
Goldman Sachs Asset Management International	Quoted Fixed interest securities	Level 1	Fixed interest securities are valued at a market value based on current yields.	N/A	N/A
UBS Asset Management	Equities/ Indexed linked life assurance policies	Level 2	Average of broker prices.	Price of recent transactions for identical instrument.	Significant change in economic circumstances or time lapse since the transaction took place.
Link Asset Solutions	Fixed Income	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.
Stewart Investors/ Marathon Asset Management Ltd	Forward foreign exchanged contracts	Level 2	Market exchange rates at 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.

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Aviva Investors	Direct Property	Level 3	Direct Property independently valued by Knight Frank LLP in accordance with the current editions of Royal Institute of Chartered Surveyors' (RICS) Valuation - Global Standards, which incorporate the International Valuations Standards, and the RICS UK National Supplement. Valuation derived from using comparable recent market transactions on arm's length terms, where available, and other appropriate techniques such as the use of rental yields and rental values.	Pricing inputs include situations where there is little market activity. Estimated rental growth, covenant strength for existing tenancies, discount rate, land/building valuation surveys.	Asset values can range between (+/- <b>20.0%</b> ). This 20.0% range is made up of two key sensitivities - significant changes in yield movement (+/- <b>10.0%</b> ) and estimated rental value movement (+/- <b>10.0%</b> ).



## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Partners Group Management II S.à r.l	Global property	Level 3	Assets are based on valuations received from the Managers which are determined in accordance with the last know NAV and adjusted for subsequent capital calls and distributions and other relevant information provided.	Pricing inputs include situations where there is little market activity. Estimated rental growth, covenant strength for existing tenancies, 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 process and volume of sales and purchases. Assets values can range between <b>(+15.5%/ -15.5%)</b> .
Aviva Investors	Property unit trusts	Level 3	Assets are based on valuations received from the Managers which are determined in accordance with the last know NAV and adjustment for subsequent capital calls and distributions and other relevant information provided by the real estate fund.	Pricing inputs include situations where there is little market activity. Estimated rental growth, covenant strength for existing tenancies, discount rate, land/building valuation surveys.	Asset values can range between <b>(+/- 20.0%)</b> . This 20.0% range is made up of two key sensitivities -significant changes in yield movement <b>(+/- 10.0%)</b> and estimated rental value movement <b>(+/- 10.0%)</b> .



## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Hamilton Lane	Private Equity	Level 3	Investments in private equity funds are valued based on the Fund's share of the net assets, using the latest financial statements published by the respective fund managers in accordance with the appropriate industry guidelines. Limited partnerships are valued at Fair value based on the net asset value ascertained from periodic valuations provided by those controlling the partnership. The net assets value of the funds are determined using the valuation techniques such as discounted cash flows, earning multiples etc, and these use the inputs detailed in the next two columns.	Management's cash flow projections, estimates of growth expectations and profitability, profit margin expectations, gross domestic product, inflation, interest rates, discount rates, 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 gross domestic product, inflation, interest rates, and discount rates. Asset values can range between <b>(+15.0%/ -15.0%)</b> .

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Partners Group Management II S.à r.l	Infrastructure	Level 3	Investments in the funds are valued based on the Fund's share of the net assets. Audited valuations are carried out annually on the investments. The net assets value of the funds are determined using the valuation techniques such as discounted cash flows, earning multiples etc, and these use the inputs detailed in the next two columns.	Management's cash flow projections, estimates of growth expectations and profitability, profit margin expectations, gross domestic product, inflation, interest rates, discount rates, tax rates, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and adjustments to current prices for similar assets, valuation techniques.	Valuations can 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, fair value adjustments, discount factors used, EBITDA and recent transaction prices. Asset values can range between <b>(+4.2%/ -4.2%)</b> .

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
JP Morgan Asset Management	Infrastructure	Level 3	Investments are valued based on the Fund's share of the net assets. Audited valuations are carried out annually on the investments. The net assets value of the funds are determined using the valuation techniques such as discounted cash flows, earning multiples etc, and these use the inputs detailed in the next two columns.	Management's cash flow projections, estimates of growth expectations and profitability, profit margin expectations, gross domestic product, inflation, interest rates, discount rates, tax rates, Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) and adjustments to current prices for similar assets, valuation techniques.	Valuations can 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, changes in interest rates, inflation, discount rate, price weaknesses. As a result assets values can range between <b>(+5.41%/ -5.41%)</b> .

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
IFM Investors	Infrastructure	Level 3	The investments are valued based on the Fund's share of the net assets. Audited valuations are carried out annually on the investments. The net assets value of the funds are determined using the valuation techniques such as discounted cash flows, earning multiples etc, and these use the inputs detailed in the next two columns.	Management's cash flow projections, estimates of growth expectations and profitability, profit margin expectations, gross domestic product, inflation, interest rates, discount rates, tax rates, Earnings Before Interest, Taxes Depreciation and Amortization (EBITDA) and 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 Fund's reporting date. Key sensitivities identified are changes in gross domestic product, base rates, inflation and discount rates. Asset values can range between <b>(+6.0/ -6.0%)</b> .

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Stafford Timberlands Limited	Timber	Level 3	The investments are valued based on the Fund's share of the net assets value. The net assets value are determined using accepted valuation techniques and standards that include discounted cashflow and multiple earnings.	Management's cash flow projections, estimates of growth expectations and profitability, profit margin expectations, discount rates, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), 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 Fund's reporting date by changes to expected cash flows earning multiple and discount rates used in the discounted cash flow analysis. Asset values can range between <b>(+4.2%/ -4.2%)</b> .
Permira	Private Debt	Level 3	Net Asset Value Market approach using comparable trade multiples. They include comparison to recent arm's length transactions, reference to other instruments that are substantially 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 management cash flow projections, credit risk, interest rates, EBITDA, direct lending loans values, discount rates, marketability.	Material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows, EBITDA multiple, and discount rates used (e.g. discounts offered for lack of marketability). Asset values can change between <b>(+9.6%/ -9.6%)</b> .

## Notes to the Accounts

Fund Manager	Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Alcentra Ltd	Private debt	Level 3	Net Asset Value Market approach using comparable trade multiples. They include comparison to recent arm's length transactions, reference to other instruments that are substantially 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 management cash flow projections, credit risk, interest rates, EBITDA, direct lending loans values, discount rates, marketability.	Material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows, EBITDA multiple, and discount rates used (e.g. discounts offered for lack of marketability). Asset values can change between <b>(+9.6%/ -9.6%)</b> .

# Notes to the Accounts

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

Values as at 31 March 2022				Values as at 31 March 2023			
Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Quoted market prices	Using observable inputs	Significant unobservable inputs		Quoted market prices	Using observable inputs	Significant unobservable inputs	
£000	£000	£000		£000	£000	£000	
<b>Financial assets</b>							
3,070,033	3,788,387	1,726,483	Fair value through profit and loss	2,528,776	4,027,890	2,008,062	
<b>3,070,033</b>	<b>3,788,387</b>	<b>1,726,483</b>		<b>2,528,776</b>	<b>4,027,890</b>	<b>2,008,062</b>	
<b>Non Financial assets</b>							
		799,304	Fair value through profit and loss			801,596	
<b>Financial liabilities</b>							
(1,014)	(82)	-	Fair value through profit and loss	(173)	-	-	
<b>(1,014)</b>	<b>(82)</b>	<b>-</b>		<b>(173)</b>	<b>-</b>	<b>-</b>	
<b>3,069,019</b>	<b>3,788,305</b>	<b>2,525,787</b>	<b>Total net assets per level</b>	<b>2,528,603</b>	<b>4,027,890</b>	<b>2,809,658</b>	
		<b>9,383,111</b>	<b>Net Investment Assets</b>			<b>9,366,151</b>	

## 17.2 Transfers between hierarchy levels

No reclassifications were made as at 31 March 2022 or as at 31 March 2023.

## 17.3 Reconciliation of fair value measurements within Level 3

	Value at 1 April 2022	2022/23 Movement						Value at 31 March 2023
		Transfer to Level 3	Purchases	Net Transfers	Sale Proceeds	Unrealised profit/loss	Realised profit/loss	
<b>Properties</b>	<b>823,853</b>	-	<b>98,488</b>	-	<b>(46,978)</b>	<b>(87,897)</b>	<b>4,394</b>	<b>791,860</b>
UK properties (freehold)	396,800	-	34,957	-	(10,800)	(63,604)	(1,933)	355,420
UK properties (leasehold)	77,850	-	54	-	(11,075)	(4,384)	(2,545)	59,900
Global properties	121,418	-	60,025	-	(6,133)	15,504	-	190,814
Property unit trusts	227,785	-	3,452	-	(18,970)	(35,413)	8,872	185,726



# Notes to the Accounts

	Value at 1		Purchases	Net	Sale	2022/23 Movement		Value at	
	April 2022	Transfer to				Net	Unrealised	Realised	31
	£000	Level 3				Transfers	Proceeds	profit/ loss	profit/ loss
		£000		£000	£000	£000	£000		
<b>Private equity (Overseas unquoted)</b>	<b>486,213</b>		<b>70,039</b>	<b>3,182</b>	<b>(82,521)</b>	<b>(29,906)</b>	<b>40,565</b>	<b>487,572</b>	
UK unquoted	-	-	-	-	-	-	-	-	
Overseas unquoted	486,213	-	70,039	3,182	(82,521)	(29,906)	40,565	487,572	
<b>Infrastructure</b>	<b>837,168</b>	-	<b>171,447</b>	-	<b>(141,064)</b>	<b>79,805</b>	<b>48,923</b>	<b>996,279</b>	
UK unquoted	1	-	-	-	-	-	-	1	
Overseas unquoted	837,167	-	171,447	-	(141,064)	79,805	48,923	996,278	
<b>Timber (Overseas unquoted)</b>	<b>276,329</b>	-	<b>67,819</b>	-	<b>(23,450)</b>	<b>14,212</b>	<b>6,398</b>	<b>341,308</b>	
<b>Private debt</b>	<b>102,223</b>	-	<b>100,304</b>	-	<b>(14,890)</b>	<b>2,707</b>	<b>2,295</b>	<b>192,639</b>	
UK unquoted	-	-	-	-	-	-	-	-	
Overseas unquoted	102,223	-	100,304	-	(14,890)	2,707	2,295	192,639	
	<b>2,525,786</b>		<b>508,097</b>	<b>3,182</b>	<b>(308,903)</b>	<b>(21,079)</b>	<b>102,575</b>	<b>2,809,658</b>	

## Notes to the Accounts

### 17.4 Sensitivity of assets valued at Level 3

In consultation with its institutional consultants, Hyman Robertson, and the Fund's investment managers, 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 17.1 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 2023.

Value at					Value at			
31 Mar 2022	Assessed valuation	Value on increase	Value on decrease		31 Mar 2023	Assessed valuation	Value on increase	Value on decrease
£000	range (+/-)	£000	£000		£000	range (+/-)	£000	£000
<b>474,650</b>	10.0%	522,115	427,185	Freehold and leasehold properties	<b>415,320</b>	20.0%	498,384	332,256
<b>121,418</b>	15.0%	139,631	103,205	Global property	<b>190,814</b>	15.5%	220,390	161,238
<b>227,785</b>	10.0%	250,564	205,007	Property unit trusts	<b>185,726</b>	20.0%	222,871	148,581
<b>486,213</b>	15.0%	559,145	413,281	Private equity	<b>487,572</b>	15.0%	560,708	414,436
<b>837,168</b>	6.9%	894,933	779,403	Infrastructure	<b>996,279</b>	5.1%	1,047,089	945,469
<b>276,329</b>	4.6%	289,040	263,618	Timber (Overseas unquoted)	<b>341,308</b>	4.2%	355,643	326,973
<b>102,223</b>	9.0%	111,423	93,023	Private debt	<b>192,639</b>	9.6%	211,132	174,146
<b>2,525,786</b>		<b>2,766,851</b>	<b>2,284,722</b>		<b>2,809,658</b>		<b>3,116,217</b>	<b>2,503,099</b>

The assessed valuation ranges shown in the above table were provided by the relevant fund managers, with the exception of:

Global property and Private debt - In the absence of information from the fund managers, valuation range was based on percentages supplied by Hyman Robertson.

Infrastructure – The valuation range is a weighted average of the information provided by the three individual Infrastructure managers and their base strategic allocations.

Further information on the assessed valuation ranges can be found in Note 17.1.

# Notes to the Accounts

## 18. Financial instruments

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

### 18.1 Classification of financial instructions

31 March 2022				31 March 2023		
Fair value Through Profit and loss	Assets at amortised cost	Liabilities at amortised cost	Asset type	Fair value Through Profit and loss	Assets at amortised cost	Liabilities at amortised cost
£000	£000	£000		£000	£000	£000
			Pooled Investments			
418,839	-	-	Fixed Interest securities	-	-	-
956,555	-	-	Fixed Income - ACCESS pooled fixed income funds	1,324,048	-	-
2,598,348	-	-	Equities - Unit life assurance policies	2,562,441	-	-
2,139,042	-	-	Equities - ACCESS pooled global equity funds	2,175,693	-	-
-	-	-	Emerging Markets ETF	346,963	-	-
233,401	-	-	Index linked securities	141,401	-	-
227,785	-	-	Property unit trusts	185,726	-	-
1	-	-	Other managed funds	-	-	-
500,582	-	-	Equities - Market Quoted Equities	21	-	-
486,213	-	-	Private equity	487,572	-	-
633,933	-	-	Infrastructure	800,817	-	-
276,329	-	-	Timber	341,308	-	-
102,223	-	-	Private debt	192,639	-	-
82	-	-	Derivative contracts	-	-	-
-	240,713	-	Cash deposits	-	283,739	-
11,570	-	-	Other investment balances	6,099	-	-
-	488	-	Debtors	-	835	-
<b>8,584,903</b>	<b>241,201</b>	-		<b>8,564,728</b>	<b>284,574</b>	-
			Financial liabilities			
(82)	-	-	Derivative contracts	-	-	-
(1,014)	-	-	Other investments balances	(173)	-	-
-	-	(3,770)	Creditors	-	-	(2,539)
<b>(1,096)</b>	-	<b>(3,770)</b>		<b>(173)</b>	-	<b>(2,539)</b>
<b>8,583,807</b>	<b>241,201</b>	<b>(3,770)</b>	Balance at the end of the year	<b>8,564,555</b>	<b>284,574</b>	<b>(2,539)</b>
		<b>8,821,238</b>	Total			<b>8,846,590</b>

# Notes to the Accounts

The above table analyses the carrying amounts of financial assets and liabilities by category and Net Assets Statement headings.

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

The debtor figure of **£26.821m** as at 31 March 2023 (£30.899m as at 31 March 2022) excludes statutory debtors of **£25.986m** (£30.411m as at 31 March 2022).

The creditor figure of **£8.201m** as at 31 March 2023 (£9.141m as at 31 March 2022) excludes statutory creditors of **£5.665m** (£5.371m as at 31 March 2022).

In addition, assets held by the Fund on a direct basis for example direct property and infrastructure has also been excluded for the above note as they are not financial instruments.

## 18.2 Net gains and losses on financial instruments

Assets held by the Fund on a direct basis for example direct property and direct infrastructure have also been excluded from the below note.

The net gains and losses differ from the Fund Account by gains and losses of assets held directly.

The gains and losses of these assets were **£15.621m** gain as at 31 March 2023 (£133.126m gain as at 31 March 2022).

Gain/(loss) 2021/22 £000		Gain/(loss) 2022/23 £000
<b>Financial assets</b>		
691,855	Fair value through profit and loss	(72,961)
3,682	Amortised cost unrealised gains	5,709
<b>695,537</b>	<b>Total</b>	<b>(67,252)</b>

## 19 Nature and extent of risks arising from financial instruments

### 19.1 Risk and risk management

The Fund's primary 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 overall risk management strategy rests with the Essex Pension Fund Strategy Board (PSB). 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.

# Notes to the Accounts

## 19.2 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](http://www.essexpensionfund.co.uk). Investment risk and strategy are regularly reviewed by the ISC.

## 19.3 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 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.

## 19.4 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 2023/24 and 2022/23.

The percentages shown in the following table are broadly consistent with a movement of one standard deviation in the value of the Fund's assets and assumes that all other variables foreign exchange rates and interest rates remain unchanged.

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

# Notes to the Accounts

31st March 2022 £000	Percentage change %	Value increase £000	Value decrease £000	Asset type	31st March 2023 £000	Percentage change %	Value increase £000	Value decrease £000
240,713	0.3%	241,435	239,991	Cash and equivalents	283,739	0.3%	284,590	282,888
				Investment portfolio assets				
418,839	7.3%	449,414	388,264	UK fixed interest securities	-	6.8%	-	-
956,555	7.3%	1,026,384	886,726	UK ACCESS pooled funds fixed income funds	898,496	6.8%	959,594	837,398
-	7.3%	-	-	Overseas ACCESS pooled funds fixed income funds	425,552	6.8%	454,490	396,614
27,618	19.9%	33,114	22,122	UK equities	13	18.2%	15	11
472,964	20.1%	568,030	377,898	Overseas equities	8	19.0%	10	6
-	20.1%	-	-	Emerging Markets ETF	346,963	19.0%	412,886	281,040
422,132	19.9%	506,136	338,128	UK equities unit insurance policies	-	18.2%	-	-
1,240,743	20.1%	1,490,132	991,354	Overseas equities insurance policies	-	19.0%	-	-
935,473	20.1%	1,123,503	747,443	Global equities insurance policies	2,562,441	19.0%	3,049,305	2,075,577
2,139,042	20.1%	2,568,989	1,709,095	ACCESS pooled global equity funds	2,175,693	19.0%	2,589,075	1,762,311
233,401	7.3%	250,439	216,363	UK index linked life assurance policies	141,401	7.2%	151,582	131,220
227,785	15.0%	261,953	193,617	Property unit trusts	185,726	15.5%	214,514	156,938
486,213	31.2%	637,911	334,515	Private equity	487,572	31.2%	639,694	335,450
633,933	9.4%	693,523	574,343	Infrastructure	800,817	9.9%	880,098	721,536
276,329	14.6%	316,673	235,985	Timber	341,308	16.0%	395,917	286,699
102,223	9.0%	111,423	93,023	Private debt	192,639	9.6%	211,132	174,146
1	9.4%	1	1	Other managed funds	-	9.9%	-	-
<b>8,813,964</b>		<b>10,279,060</b>	<b>7,348,868</b>	<b>Total assets available to pay benefits</b>	<b>8,842,368</b>		<b>10,242,902</b>	<b>7,441,834</b>



# Notes to the Accounts

## 19.5 Interest rate risk

The Fund invests in financial assets for the primary 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 and two bond mandates with Link Solutions Ltd. In addition, the fund has an investment in two private debt mandates.

The Fund's direct exposure to interest rate movements as at 31 March 2023 and 31 March 2022 are shown below. The underlying assets are shown at their fair value.

Asset value as at 31 Mar 2022 £000	Asset type	Asset value as at 31 Mar 2023 £000
218,687	Cash and cash equivalents	263,338
22,026	Cash balances	20,401
418,839	Fixed interest securities	-
956,555	Fixed income funds	1,324,048
233,401	Index-linked securities	141,401
102,223	Private debt	192,639
<b>1,951,731</b>	<b>Total assets</b>	<b>1,941,827</b>

## 19.6 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.

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.



# Notes to the Accounts

Asset value			Asset type	Asset value		
as at 31 Mar 2022	Impact of 1% increase	Impact of 1% decrease		as at 31 Mar 2023	Impact of 1% increase	Impact of 1% decrease
£000	£000	£000	£000	£000	£000	
418,839	414,651	423,027	Fixed interest securities	-	-	-
956,555	946,989	966,121	Fixed income funds	1,324,048	1,310,808	1,337,288
102,223	101,201	103,245	Private debt	192,639	190,713	194,565
<b>1,477,617</b>	<b>1,462,841</b>	<b>1,492,393</b>	<b>Total change in assets available</b>	<b>1,516,687</b>	<b>1,501,521</b>	<b>1,531,853</b>

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

For the cash and index-linked securities that the Fund holds, their fair value would not be impacted by a 1% movement in interest rates.

## 19.7 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 2023 and 31 March 2022:

31 Mar 2022		31 Mar 2023
£000	Asset type	£000
472,964	Overseas equities quoted	8
-	- Emerging Markets ETF	346,963
-	- Overseas ACCESS fixed income funds	425,552
1,240,743	Overseas unit life assurance policies	-
935,473	Global unit life assurance policies	2,562,441
2,139,042	ACCESS pooled global equity funds	2,175,693
121,418	Global property	190,814
486,213	Overseas private equity	487,572
837,167	Overseas infrastructure	996,278
276,329	Overseas timber	341,308
102,223	Overseas private debt	192,639
99,152	Foreign currency	105,310
<b>6,710,724</b>	<b>Total assets</b>	<b>7,824,578</b>

# Notes to the Accounts

## 19.8 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 **9.9%** (9.5% as at 31 March 2022) (approximately one standard deviation) assuming other factors remain constant.

The table below shows the effect of a **9.9%** (9.5% as at 31 March 2022) 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 Mar 2022 £000	Change in year in the net assets to pay benefits		Asset type	Asset value as at 31 Mar 2023 £000	Change in year in the net assets to pay benefits	
	+9.5% £000	-9.5% £000			+9.9% £000	-9.9% £000
472,964	517,896	428,032	Overseas equities quoted	8	9	7
-	-	-	- Emerging Markets ETF	346,963	381,312	312,614
-	-	-	- Overseas ACCESS fixed income funds	425,552	467,682	383,422
1,240,743	1,358,614	1,122,872	Overseas unit life assurance policies	-	-	-
935,473	1,024,343	846,603	Global unit life assurance policies	2,562,441	2,816,123	2,308,759
2,139,042	2,342,251	1,935,833	ACCESS pooled global equity funds	2,175,693	2,391,087	1,960,299
121,418	132,953	109,883	Global property	190,814	209,705	171,923
486,213	532,403	440,023	Overseas private equity	487,572	535,842	439,302
837,167	916,698	757,636	Overseas infrastructure	996,278	1,094,910	897,646
276,329	302,580	250,078	Overseas timber	341,308	375,097	307,519
102,223	111,934	92,512	Overseas private debt	192,639	211,710	173,568
99,152	108,571	89,733	Foreign currency	105,310	115,736	94,884
<b>6,710,724</b>	<b>7,348,243</b>	<b>6,073,205</b>	<b>Total change in assets available</b>	<b>7,824,578</b>	<b>8,599,213</b>	<b>7,049,943</b>

## 19.9 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.

# Notes to the Accounts

## 19.9.1 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 2023 is provided in Note 14.

## 19.9.2 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, UBS, the Fund has three active bond managers during 2022/23, M&G, GSAM (until December 2022) and Janus Henderson (from November 2022). M&G manage pooled assets against a SONIA plus benchmark, GSAM manage pooled assets against a UK 3 month T-Bill Index plus benchmark and Janus Henderson manage pooled assets against SONIA.

At 31 March 2023, the average credit quality of the M&G bond mandate was **BBB** rated (BBB+ rated as at 31 March 2022). The portfolio had suffered eight defaults since inception, one within the financial year ended 31 March 2023 and none within the financial year ended 31 March 2022. The portfolio managed by GSAM as at December 2022 had an average credit quality of **AAA** (AA-rated as at 31 March 2022) and has suffered fourteen defaults since inception, none within the financial year up to its closure in December 2022 (none within the financial year ended 31 March 2022).

The portfolio managed by Janus Henderson as at 31 March 2023 had an average credit quality of **BB** as at 31 March 2023 and has suffered zero defaults since inception.

# Notes to the Accounts

## 19.9.3 Custody

Northern Trust are the global custodian with responsibility for safeguarding the assets of the Fund. As at 31 March 2023 Northern Trust had **\$14.2 trillion** of assets under custody (31 March 2022, \$12.0 trillion) and had a credit rating of **AA-** (31 March 2022, AA-). Monthly reconciliations are performed between the underlying records of the custodian and all investment managers and partnerships of the Fund.

## 19.10 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 2022) 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 2022, **£20.401m** (£22.026m as at 31 March 2022) 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 2023, the total balance held in Sterling and US dollar AAA money market funds was **£202.937m** with a smaller balance of **£60.401m** held in the Northern Trust current account (£166.841m and £51.846m as at 31 March 2022 respectively). The use of money market funds provides an underlying diversification of counterparty and avoids exposure to a single institutional balance sheet, in this case the custodian.

## Notes to the Accounts

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

31 March 2022			31 March 2023	
Rating	£000		Rating	£000
<b>Cash managed externally</b>				
Cash held on deposit				
AAA	78,169	BNP Paribas Investment Partners	AAA	97,413
AAA	88,672	Northern Trust	AAA	105,524
	<u>166,841</u>			<u>202,937</u>
Cash held in Current Account				
AA-	51,846	Northern Trust	AA-	60,401
	<u>218,687</u>	<b>Total cash managed externally</b>		<u>263,338</u>
<b>Cash managed internally</b>				
Cash held on deposit				
AAA	-	Blackrock	AAA	5,344
A+	5,001	HSBC	A+	5,108
A	4,998	Santander UK	A	5,006
AAA	7,190	LGIM	AAA	-
AA-	5,009	Svenska Handelsbanken	AA-	5,080
Cash held in Current Account				
A+	(172)	Lloyds Bank plc	A+	(137)
	<u>22,026</u>	<b>Total cash managed internally</b>		<u>20,401</u>
	<u>240,713</u>	<b>Total</b>		<u>283,739</u>

## Notes to the Accounts

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

31 March 2022		31 March 2023	Maximum limit per Financial Institution	Historical risk of default	Estimated maximum exposure to default and uncollectability
£000		£000	£000	%	£000
<b>Cash managed externally</b>					
Deposit with bank and other financial institutions					
166,841	AAA Rated	202,937	120,000	0.04%	81
51,846	AA Rated	60,401		0.02%	12
<b>218,687</b>	<b>Total cash managed externally</b>	<b>263,338</b>			<b>93</b>
<b>Cash managed internally</b>					
Deposit with bank and other financial institutions					
7,190	AAA Rated	5,344	10,000	0.04%	2
5,009	AA Rated	5,080	7,500	0.02%	1
9,827	A Rated	9,977	5,000	0.05%	5
<b>22,026</b>	<b>Total cash managed internally</b>	<b>20,401</b>			<b>8</b>
<b>240,713</b>	<b>Total cash</b>	<b>283,739</b>			<b>101</b>

Whilst the Fund has a cash limit of **£120m** for each financial institution within the Treasury Management Strategy, there is a facility to exceed the limit on a temporary basis when redeploying assets.

### 19.11 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.



## Notes to the Accounts

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Following the 2021 Investment Strategy review there was further scope to reduce the reliance on equity risk within the investment strategy. Whilst modelling showed the Fund could switch up to another 10% away from 'growth assets' to bonds the ISC agreed to continue with a phased approach to its strategic allocation. The ISC has allowed flexibility within the Investment Strategy, and to respond to market conditions going forward, agreed that allocation targets would be expressed as ranges and that then next phase would target reducing the equity allocation to 40-45%.

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.

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The Fund as at 31 March 2023 had immediate access to its pension fund cash holdings held internally and externally of **£283.739m** (£240.713m as at 31 March 2022). 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 Fund's 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.



## Statement by External Auditors

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

**Awaiting Final  
Sign off**

**Awaiting Final  
Sign off**



# Essex Pension Fund

## SECTION 6

### Other Information







# Essex Pension Fund Investment Strategy Statement October 2023





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*Audley End House, Saffron Walden*



## 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, Essex Pension Fund Strategy Board (PSB) 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)**. The ISC’s activities are reported back to the PSB on a quarterly basis. 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 Investment Consultant, **Hymans Robertson LLP**, 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**.



*Clacton Pier, Clacton-on-Sea*

# 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 dependants, 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 as defined in Regulation 62 (5) of the LGPS regulations 2013;
- ◆ to ensure that the regulatory requirements to set contributions so as to ensure the solvency and long-term cost efficiency of the fund are met; 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 2022 was **102.3%** (March 2019 was **97%**). In accordance with the Funding Strategy Statement, the Administering Authority's long-term funding objective is to achieve and then maintain assets at **least equal** to **100%** of projected accrued liabilities. In addition, the PSB determined the rate of contributions payable by each of the employers in the Fund for the three years starting 1 April 2023.



# Investment strategy and the process for ensuring suitability of investments

## Investment Beliefs

The Committee has adopted core investment beliefs covering the **four** following areas:

- ◆ Long Term Approach;
- ◆ Diversification;
- ◆ Benchmarks; and
- ◆ Active vs Index Tracking 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 the secondary rate) 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 ISC agreed to realise income from its UK property portfolio and if required its index tracking 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 currently for cashflow purposes. The time at which the sale of assets for cashflow purposes 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 growth in the long term within agreed risk levels, which takes into account liquidity requirements. Mindful of the potential for the cashflow requirements to grow in future, the strategic allocation has shifted to reflect a greater appetite for income generating alternative assets within the portfolio.

There is also **diversification** between different asset classes to manage risk levels and better ensure that the value of the Pension Fund, when taken in conjunction with current expectations of 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'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 lower correlated (do not necessary follow the direction) to equities and are expected to

# Investment strategy and the process for ensuring suitability of investments

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.

As a result of positive triennial actuarial valuation results over the last few valuation cycles it was identified that the Fund had a high probability of achieving and maintaining the Fund's funding objectives at a lower risk by reducing its equity allocation and increasing its allocation into diversifying income generating alternative assets. The ISC agreed a strategic **medium-term plan** whereby its equity allocations will be trimmed as and when suitable opportunities arise to reallocate to alternative assets.

Following the 2021 investment strategy review it was concluded there was further scope to reduce the reliance on equity risk within the investment strategy. Whilst modelling showed the Fund could switch up to another **10%** away from '**growth assets**' to bonds, the ISC agreed to continue with a phased approach to the evolution of its strategic allocation. To allow flexibility within the investment strategy and to respond to market conditions, the ISC agreed that allocation targets would be expressed as ranges and that the next phase would target reducing the equity allocation to **40% - 45%**.

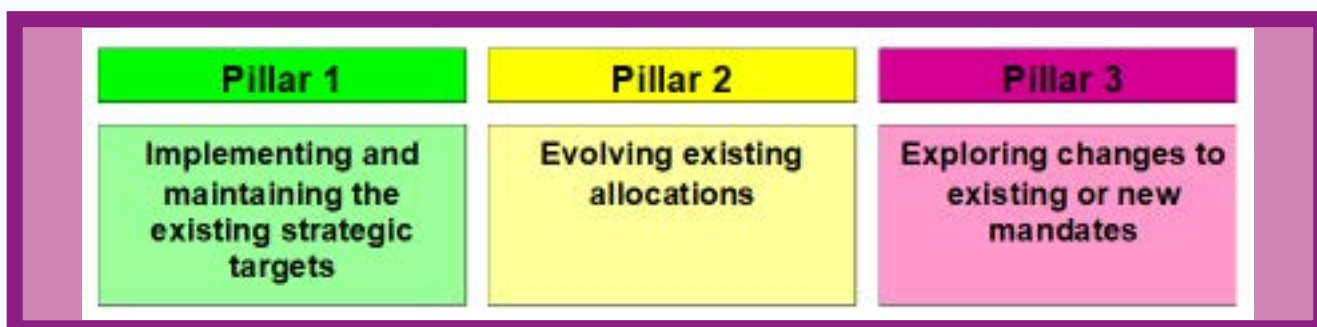
## Asset/Liability Study

In 2023, the Committee commissioned an **Asset/Liability Study** following the results of the 2022 Actuarial Valuation. The conclusion of the Study validated the above decision and found that the Fund continued to have a very high probability of achieving its funding objectives by proceeding with its lower risk strategy of reducing the Fund's equity target whilst increasing its target to bonds. The Fund is therefore moving towards a **77% – 82%** allocation to 'growth' (equities and alternatives) assets in order to meet the long-term funding assumptions set out in the 2022 Actuarial Valuation.

The **18% - 23%** allocation to bonds is designed to manage overall levels of funding volatility within agreed levels.

## Investment Allocation

The ISC has developed an **Investment Strategy Decision Framework** designed to enable it to make clear, structured, context based strategic decisions for the Fund. Based round the three pillars below, it formulates the Fund's decision-making process.





# Investment strategy and the process for ensuring suitability of investments

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 utilises a number of active and index tracking investment managers all of whom are authorised under the [Financial Services and Markets Act 2000](#) or equivalent to undertake investment business. The Committee has utilised the [ACCESS Pool](#) solutions to meet its strategic objectives migrating its liquid assets into [ACCESS Authorised Contractual Scheme \(ACS\)](#). The Committee will continue to review the solutions that become available for its illiquid assets.

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. Fund benchmarks are kept under periodic review. 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](#). This includes the investments made via the ACCESS pool. [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

To reduce the volatility associated with fluctuating currency rates (currency risk), the Fund utilises hedged versions of the global equity indices which are managed by the Fund's index tracking manager.

Investment Managers have discretion to utilise currency hedging 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 the Fund's formal Risk Register. In summary, the principal risks affecting the Fund and mitigations are:



### **Funding risks:**

**Financial mismatch** – The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities. 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** – The risk that longevity improves and other demographic factors change resulting in increased Fund liabilities, reduced solvency levels and increased employer contributions.

**Systemic risk** – 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** – The risk that significant allocation to any single asset category and its under performance relative to expectation would result in difficulties in achieving funding objectives.

**Illiquidity** – The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.

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

**Climate risks:** The risk to asset returns and funding posed by climate change.

### **Other provider risks:**

**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.



# Risk Measurement and Management

## Mitigations:

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 including assessing and monitoring the exposure and likelihood of risk via a Risk Register;
- ◆ **Diversification** across asset classes and managers;
- ◆ Regular **review** and **monitoring** of investment manager performance;
- ◆ Periodic **RI investment manager engagements** meetings;
- ◆ Recording and monitoring engagements via the Fund's **Engagement Log**;
- ◆ Yearly assessment of **climate metrics** and monitoring outcomes; and
- ◆ Monitoring the Fund's progress to **Net Zero** by 2050.

## 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 liabilities 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 via the Fund's Annual **Investment Scorecard**.



Colchester Castle, Colchester

# Asset Pooling - ACCESS Pool (A Collaboration of Central, Eastern & Southern Shires)

## 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, West 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 an **Inter-Authority Agreement** to underpin their partnership. This is currently in the process of being reviewed by the ACCESS Authorities.

The proposed structure and basis on which the ACCESS Pool will operate in order to meet the Government's criteria was set out in the July 2016 submission to Government. A copy of the [Submission](#) and the progress made against the timetable is available on the [ACCESS website](#).

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.

In 2018, a joint procurement was undertaken by ACCESS for an index tracking 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)**.

More recently the ACCESS Pool has procured an **Implementation Adviser** to assist with pooling of illiquid assets.

## 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.



Chappel viaduct, nr Colchester

## Asset Pooling - ACCESS Pool (A Collaboration of Central, Eastern & Southern Shires)

The Fund monitors developments with a view to transitioning assets across to the Pool as and when suitable solutions are available to meet the Fund's Investment Strategy requirements. As at 31 March 2023, the Fund had transitioned 95% of its liquid assets (64% of all assets) into the ACCESS pool. This includes global equity and cash plus bond sub-funds, index tracking environmental, social and governance (ESG) sustainable low carbon global equity pooled funds and an index linked bond pooled fund. The ISC have agreed that the remaining 5% of liquid assets will be transitioned into two emerging market equity strategies when launched later in the year.

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 Pools

Any assets not currently invested in the ACCESS Pool will be reviewed at least every three years to determine whether the rationale remains appropriate, whether it continues to demonstrate value for money and whether a viable option is available.

Asset Class	Manager	Strategic Allocation %	Reason for not investing in the ACCESS Pool
Direct Property	Aviva Investors	Up to 10%	<ul style="list-style-type: none"> <li>Investment manager skill is a major determinant of returns. The availability of quality investment managers for a large mandate is untested</li> <li>The portfolio has been built to specific risk and return requirements</li> <li>Portfolio designed to account for target holding sizes, to reflect the total portfolio size and achieve the required level of diversification</li> <li>Moving holdings to part of a bigger direct portfolio would have significant cost implications such as Stamp Duty Land Tax (SDLT)</li> <li>To reshape the portfolio to meet new objectives would be inconsistent with the value for money criteria</li> <li>Project Pool analysis showed that increasing direct mandate size does not result in incremental cost savings</li> </ul>
Operational Cash	In-house	n/a	<p>A reasonable level of operational cash will be required to maintain efficient administration of scheme.</p> <p>This will be held in house as ECC will need to manage cashflow to meet statutory liabilities, including monthly pension payroll payments</p>

# 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.

## Responsible Investment (RI) Policy

The ISC recognises that **environmental, social and governance (ESG) factors** (including those related to climate risk) can influence long term investment performance and the ability to achieve long term sustainable returns. To this end, the Committee identified **four** key headline **responsible investment beliefs**, with a number of sub beliefs sitting underneath these headings. The Committee in formulating the **Responsible Investment Policy** below have incorporated the Fund's RI **investment beliefs** articulated in **Appendix E**.

## Investment Strategy

1. The RI Policy should be integral to the investment strategy and not considered in isolation.
2. The Fund should minimise exposure to securities where environmental or social aspects could be financially detrimental to the portfolio.
3. Investments expected to deliver positive environmental or social benefit are encouraged as long as they are not expected to dilute overall returns.

## Engagement and Voting

4. The ISC will only exclude stocks in limited or specific instances but will actively encourage engagement and work collaboratively with other investors to increase the impact of engagement.

## Managers/implementation

5. The ISC will seek to implement mandates in line with its RI Policy.
6. ESG factors should (amongst others) be an integral component in the consideration of investment in a stock by active managers.
7. For index tracking allocations, in choosing the reference benchmark, careful consideration will be given to the ESG aspects of that benchmark. Although it is recognised that the index tracking manager has no choice of stocks within the benchmark index, the index tracking manager will be expected to actively engage with companies held to the benefit of the Fund and its members.
8. The ISC will seek to utilise mandates in line with its RI Policy and expects these to be made available via the ACCESS Pool.



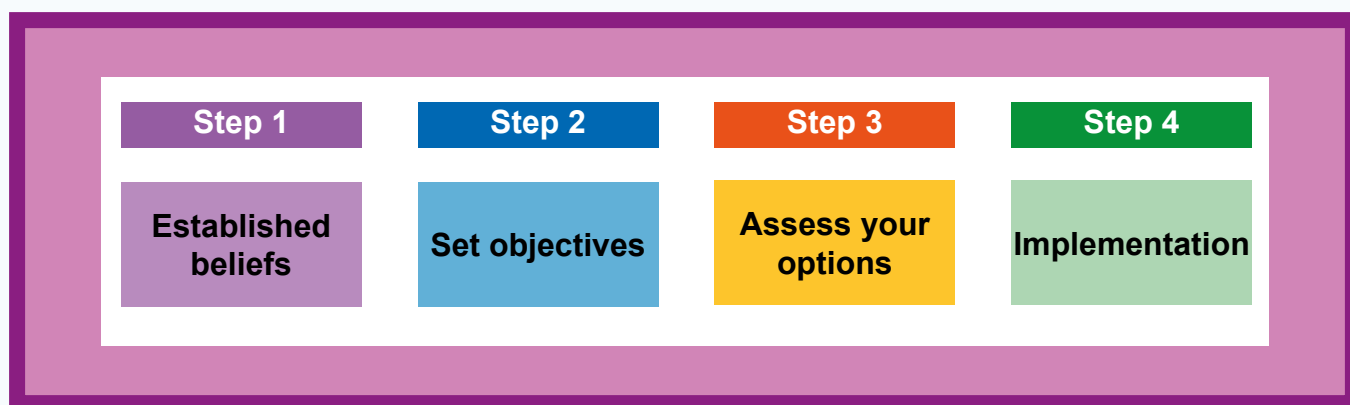
# Environmental, Social & Governance Considerations

## Monitoring/governance

9. The ISC will monitor and challenge their providers on their ESG implementation and any intended changes over time.
10. The ISC will take a long-term view on RI, including the direction of travel as well as the current implementation.

## RI Framework

In order to determine how the current portfolio may evolve to capture the Fund's **RI Beliefs**, the Committee established and adopted an **RI Framework** for integrating the Fund's RI Beliefs into the overall portfolio construction as detailed below:



This **Framework** is a mechanism for the Committee to assess each mandate's alignment with the Fund's RI Policy enabling the Fund to move towards more sustainable investment portfolios and those with positive social and/or environmental impact.

The Committee has considered the overall ESG impact of its investments. To this end, it was agreed over the **medium term** to allocate **10% (c1bn)** of the portfolio to **impact investing solutions** as and when suitable opportunities arise.

## Collaborative working

In line with its belief and Policy to work collaboratively with other pension funds to increase the strength of its voice in RI matters, the Committee agreed at its November 2019 meeting to join **Local Authority Pension Fund Forum (LAPFF)** as part of a drive to work collaboratively with others on RI issues. It is also committed to working with its **ACCESS** partnering funds and, alongside the Fund's own RI Policy, has adopted **ACCESS's RI Guidelines**.



Through its manager engagement, the ISC is supportive of its investment managers collaborating on **industry wide initiatives** when it can demonstrate wider benefit for the Fund and in turn lead to enhanced shareholder value.



# Environmental, Social & Governance Considerations



Hadleigh Castle

## Engagement

The Fund expects its investment managers to take account of ESG considerations in the selection, retention and realisation of investments as an integral part of the normal investment research and analysis process. The Fund also expects its investment managers to engage with companies held on all matters in regard to **good stewardship**. The Fund believes taking account of such considerations forms part of the investment managers' normal fiduciary duty.

In addition, the Fund has developed its own [Investment Engagement Strategy](#) with the following specific aims and objectives:

- ◆ To establish a **Framework** for the Fund's engagements with its investment managers;
- ◆ To gain an understanding of how each of the Fund's investment managers **embed ESG** into its investment process;
- ◆ To review **engagement** holistically, recognising that all of the **ten RI Priorities** identified by the Fund are equally important;
- ◆ To gain an understanding of the level of **Climate risk** around the Portfolio and how each of the Fund's investment managers are aligning their mandate to meet the Fund's aspiration of **net carbon zero emissions by 2050**;
- ◆ To gain an understanding of how the Portfolio will transition to a **low carbon environment** and the steps being taken;
- ◆ To get an overall understanding of the investment mandate by assessing the Investment Manager organisation and Portfolio from both a '**Top Down**' and '**Bottom Up**' perspective; and
- ◆ To **aid** discussion, target setting, measurement, outcome and progress reporting.

## Priority for RI consideration and engagement

The Committee recognises that there are a range of interested parties all of whom will have differing interests in the Fund and as such have identified the following areas which it expects the Fund's investment managers to treat as **priorities** when engaging with companies invested in on the Fund's behalf:



# Environmental, Social & Governance Considerations

## RI Priorities



The Committee will agree a subset of these priorities annually to focus its engagement activities on.

## Exercise of voting rights

### Assets outside the ACCESS Pool

The Fund no longer holds any segregated equities portfolios outside the Pool.

### Assets inside the ACCESS Pool

The ACCESS pool has formulated **voting guidance** which it expects each of the underlying investment managers managing sub funds on its behalf to comply with or, when this is not the case, to provide an explanation.

## Financial Reporting Council (FRC) 2020 UK Stewardship Code

The Fund fully supports the **FRC UK Stewardship Code** and became a signatory to the Code in 2022.

It requires those of its investment managers who hold shares on its behalf to be signatories. For private market (alternative) assets investment managers, it is expected that they 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.

# Environmental, Social & Governance Considerations

The majority of the Fund's investment managers are signatories to the [2020 UK Stewardship Code](#). The ISC is comfortable that those private market managers that have not formally become signatories are adhering to the spirit of the Code and are able to demonstrate responsible ownership. This will be monitored periodically through the Fund's engagement with its investment managers.

## Ongoing Monitoring

The Fund expects its investment managers to take the [appropriate action](#) when operating on its behalf [engaging in stewardship activities](#). This includes integrating ESG factors in its investment process, documenting engagement, recording activities arising from engagement, reporting on outcomes including when engagements haven't been successful, and escalating issues when and if required. The Committee actively monitors progress periodically.

At each meeting, the ISC has [designated time](#) to consider RI matters which includes a quarterly update on the annual RI Project Plan, assessment of the managers RI capabilities including RI data quality and coverage and the outcomes of each investment manager engagement undertaken during that quarter. As part of this regular manager monitoring, the ISC will also challenge their managers on how they consider and manage all financial risks faced by their investments, including those that arise from ESG considerations. As a consequence, the Fund has developed a yearly programme of manager engagement and an [Engagement Log](#) which is designed to [monitor](#) outcomes of the Fund's engagements with its investment managers clearly identifying when progress on actions is satisfactory, complete or requires follow up.

## Escalation Policy

If meaningful progress is not forthcoming or if the investment manager is not behaving in a manner that is in line with the Fund's RI Policy and/or in the [best long-term interests](#) of the Fund, the Fund will escalate this up the organisation's management. If all avenues of engagement are exhausted, then the ISC, following professional advice, may decide to divest wholly or partly its mandate from the investment manager.

## Knowledge and Skills

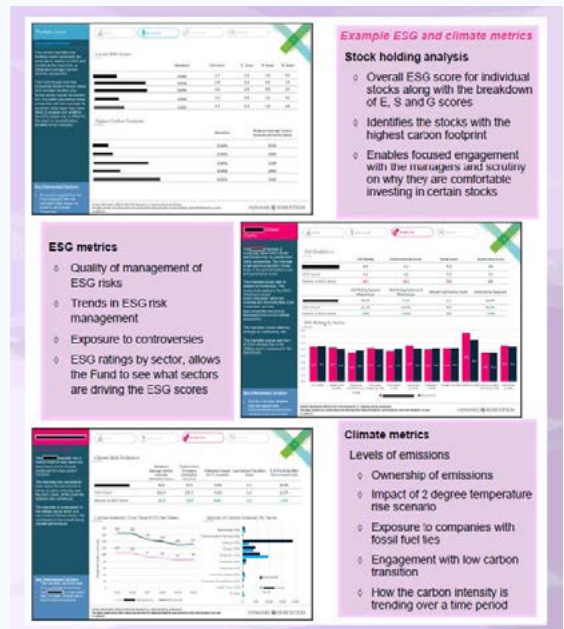
The Committee also strives to improve and develop their knowledge and understanding on how ESG factors will impact the Fund's investments in the future. The Fund has formulated a [Knowledge and Skills Strategy](#) and rolling [Two-Year Training Plan](#) which has been established to ensure that the Committee has appropriate levels of knowledge and skills to enable them to carry out their decision-making effectively. Dedicated investment and RI training is identified as part of the Fund's annual business and training planning activities. Supplementary to training delivered by the Fund's Institutional Investment Consultant and Independent Investment Adviser, Members are encouraged to attend appropriate external conferences and events. In addition, the Committee are required to complete Hymans Robertson's, [Local Government Pension Scheme Online Learning Academy \(LOLA\)](#).

# Environmental, Social & Governance Considerations

## Taskforce on Climate Related Financial Disclosures (TCFD)

A key part of the Fund's engagement through its investment managers is the need for transparency in reporting. Although the Fund has no formal reporting requirement, it supports the aims of the TCFD and has set a number of climate metrics such as greenhouse gas emissions and carbon footprint that it will monitor and set targets against. The full list of climate metrics can be found in Appendix F.

A baseline assessment of its managers and their portfolio against the Fund's agreed climate metrics was undertaken for the year 2021. A key ongoing deliverable within the Fund's Business Plan for the ISC is to measure annual progress.



## Paris Agreement Net Zero by 2050

The Fund is also committed to aligning the portfolio to the Paris Agreement of being net zero by 2050. The Fund has agreed that the equity holdings, being the largest contributor to the Fund's overall emissions, will be the Fund's immediate focus in regard to its aspiration of reducing the Fund's footprint by 50% by 2030. The Fund continues to engage with its managers on their data quality, transparency and net zero commitments as part of the engagement programme.

## Stock Lending

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

### Assets within the ACCESS Pool

The Fund participates in ACCESS's stock lending programme for investments under ACCESS Pool governance.

### 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 pooled fund manager.



# Appendix A - Responsibilities

## ISC Responsibilities

- ◆ to approve and review the asset allocation benchmark for the Fund;
- ◆ to determine, review and monitor the Fund's aims, objectives, policies, strategies and procedures relating to investment of the Fund's assets including the Investment Strategy Statement and any environmental, social and governance matters;
- ◆ to appoint and terminate Investment Managers (in relation to non-pooled assets), Custodians and Advisers to the Fund solely relating to investment matters;
- ◆ In relation to the LGPS ACCESS Pension Fund Pool;
  - a. to consider pooling matters including recommendations by the ACCESS Joint Committee;
  - b. to determine the transition of the assets held by Essex Pension Fund in relation to the Pool and the funds or sub-funds operated by the Operator;
  - c. to appoint the elected councillor for Essex County Council (ISC Chairman) to the Joint Committee as and when required the ISC Vice Chairman, or any other Member, able to deputise in their absence;
  - d. to advise the representative on the Joint Committee on such matters as may be required;
  - e. to monitor the performance of the LGPS ACCESS Pool and its Operator and recommending actions to the ACCESS Joint Committee or ACCESS Support Unit, as appropriate;
  - f. to receive and consider reports from the LGPS ACCESS Joint Committee and the Operator;
  - g. to undertake any other decisions or matters relating to the operation or management of the LGPS ACCESS Pool as may be required.
- ◆ to assess the quality and performance of each Investment Manager and the relevant ACCESS Operator annually in conjunction with Essex Pension Fund investment advisers and the Section 151 Officer;
- ◆ to monitor compliance of the investment arrangements with the Investment Strategy Statement;
- ◆ to monitor and review the Fund's compliance with the LGPS Scheme Advisory Board adopted Code of Transparency and UK Stewardship Code;
- ◆ to assess the risks assumed by the Fund at a global level as well as on a manager by manager basis;
- ◆ to approve and to review annually the content of the Pension Fund Treasury Management Strategy; and
- ◆ to submit quarterly reports on its activities to the Pension Strategy Board.

# Appendix A - Responsibilities

## 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.
- ◆ To provide ESG and or any other relevant reporting as and when required.

## External Institutional Investment Advisers

- ◆ To provide advice to the Fund on investment strategy, asset allocation, benchmark selection and design, investment management structure, responsible investment, environmental, social and governance matters, good governance and stewardship, 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, Investment Strategy Statement and Funding Strategy Statement.



# Appendix A - Responsibilities

## Independent Investment Adviser

- ◆ To assist the Officers of the Fund in the determination of agendas and papers for the meetings of the ISC and Officer and Adviser (O&A) meetings.
- ◆ 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 prepare commentary on investment managers performance to be included within the Investment Tables report presented to the ISC.
- ◆ To actively assist and prepare reports to enable the Fund to become a signatory to the Financial Reporting Council's (FRC) 2020 Stewardship Code by March 2022 and maintain thereafter.
- ◆ To actively assist in the development and review of the Fund's Engagement Plan relating to investment managers Responsible Investment and Good Stewardship.
- ◆ 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 including its Investment Strategy Statement, the Fund's Responsible Investment Policy, Funding Strategy Statement and Asset Liability Study work.
- ◆ When requested by the Officers, to attend and participate in monitoring, reviewing and briefing meetings arranged with investment managers, limited partners etc.
- ◆ To assist the ISC by producing and presenting bite size investment training and thought pieces as and when appropriate.
- ◆ To assist Officers in the research, preparation and writing of specific one-off investment related projects as and when required.
- ◆ To produce for the ISC an annual report detailing the work undertaken for the year by the Independent Investment Adviser.
- ◆ To establish a set of mutually agreeable objectives which will be measured on an annual basis.
- ◆ To actively participate in all ISC, O&A and training sessions.

## Audit Responsibilities

The Fund is subject to review by both the County Council's External Auditors **BDO LLP** and from 2023/24 **Ernst & Young Global Limited** as well as 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



## Appendix A - Responsibilities

- ◆ 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 S151O that Fund investment systems and records are properly controlled to safeguard the Fund's assets.



*St Botolph's Priory, Colchester*

## Appendix B - Core Investment Beliefs

### Long term approach

#### Local Authority (LA) Pension 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 up to 18 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.



## Appendix B - Core Investment Beliefs

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 an index tracking allocation to the market (analogous to investing in an index tracking 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 an index tracking “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.

## Appendix B - Core Investment Beliefs

### Active versus index tracking management

Index tracking 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) index tracking 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 SONIA 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.



## Appendix B - Core Investment Beliefs

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.



*Tilbury Docks, Tilbury*

## Appendix C - Fund Strategy and Structure

### Summary

The Committee have agreed the following broad target ranges across the three strategic asset buckets:

Equities Long term Target Range %	Bonds Long Term Target Range %	Alternatives Long Term Target Range %
40.0 - 45.0%	18.0 - 23.0	37.0

The table below shows the target strategic allocation of the Fund based on the upper equity target range:

Asset Class	Manager	Target Allocation %
<b>Equities</b>		<b>45.0</b>
Global Index Tracking	UBS	22.3
Active Global	LFS - Baille Gifford LFS - Longview LFS - M&G	18.9
Active Emerging Markets	LFS - Columbia Threadneedle LFS - Robeco	3.8
<b>Bonds</b>		<b>18.0</b>
Index Linked Gilts	UBS	2.0
Cash +	LFS - Janus Henderson LFS - M&G	16.0
Corporate Bonds		
<b>Alternatives</b>		<b>37.0*</b>
Private Equity	Hamilton Lane	4.0
UK Real Estate	Aviva Investors	10.0
Global Real Estate	Partners Group	4.0
Infrastructure	Partners Group JP Morgan IFM Investors	10.0
Timber	Stafford	4.0
Direct Lending	Alcentra Permira	5.0

\* The Committee have agreed that of the 37% allocated to alternatives, 75% of this allocation be invested in core strategies and 25% in more sustainable/impact solutions



## Appendix D - Fund Manager Mandates and Objectives

Active/ Index Tracking	Mandate	% of Fund	Manager	Benchmark	Investment Objectives	Investment Restrictions
Index Tracking	Global Equity Sustainable	15.0%	UBS Asset Management	FTSE Developed	Match BM gross of fees over rolling 3-year period	Excludes companies in line with CTB guidelines and UBS AM sustainability exclusion policy
Index Tracking	Global Equity Low Carbon	7.3%	UBS Asset Management	FTSE RAFI Low Carbon	Match BM gross of fees over rolling 3-year period	Excludes companies in line with CTB guidelines and UBS AM sustainability exclusion policy
Active	Global Equity	6.3%	Link Asset Solutions - LP ACCESS Long Term Global Growth Fund	MSCI AC World Index	BM + 3%, gross of fees, per annum over rolling 5-year periods	Discretionary mandate
Active	Global Equity	6.3%	Link Asset Solutions – LP ACCESS Global Equity Fund	MSCI AC World Index	BM + 3%, gross of fees, per annum over rolling 3-year periods	Discretionary mandate
Active	Global Equity	6.3%	Link Asset Solutions – LP ACCESS Global Dividend Fund	MSCI AC World Index	BM + 3%, gross of fees, per annum over rolling 3-year periods	Discretionary mandate
Active	Emerging Equity	3.8%	Link Asset Solutions - LP ACCESS Columbia Threadneedle & Robeco*	MSCI EM Index	BM + 4%, gross of fees, per annum over rolling 3-year periods	Discretionary mandate

## Appendix D - Fund Manager Mandates and Objectives

Active/ Index Tracking	Mandate	% of Fund	Manager	Benchmark	Investment Objectives	Investment Restrictions
Index Tracking	Index Linked Bonds	2.0%	UBS Asset Management	FTSE Act. Gov't Securities Index-Linked Over 5 Years Index	Match BM gross of fees over rolling 3-year period	n/a
Active	Fixed Interest	5.5%**	Janus Henderson	1-month SONIA	BM +2% p.a.	n/a
Active	Fixed Interest	5.5%**	M&G Investment	1-month SONIA	BM +2% p.a.	n/a
Active	UK Property	10.0%	Aviva Investors	IPD PPFI All Balanced Funds Index	BM +1% p.a.	Target allocation of Direct 75% Indirect 25%  No direct investment in the County of Essex
Active	Global Property	4.0%	Partners Group	IRR	9% p.a.	n/a
Active	Private Equity	4.0%	Hamilton Lane	MSCI World PME Index	BM +3% p.a.	Prior approval to be sought for co- investments
Active	Infrastructure	3.0%	IFM Investors	Absolute	BM + 8% p.a.	n/a
Active	Infrastructure	3.0%	JPMorgan	Absolute	BM + 8% p.a.	n/a
Active	Infrastructure	4.0%	Partners Group	Absolute	BM + 8% p.a.	n/a
Active	Timber	4.0%	Stafford Capital Partners	IRR	BM + 8% p.a.	n/a
Active	Direct Lending	2.0%	Alcentra Limited	IRR	8% p.a.	n/a
Active	Direct Lending	3.0%	Permira	IRR	8% p.a.	n/a

\*\* 5% remains to be allocated/assigned

The Fund will in the first instance look to work with the ACCESS pool to provide a suitable solution.

## Appendix E - RI Investment Beliefs

The Committee have articulated a set of RI investment beliefs based on the four key headline beliefs below:



### Investment strategy (IS)

1. Having a responsible investment policy could lead to better financial outcomes.
2. Having a responsible investment policy could lead to better outcomes for society.
3. Long term, businesses with more sustainable practices should outperform.
4. Allowing for the impact of ESG issues has many dimensions to it.
5. The Fund should avoid/limit exposure to securities where environmental or social aspects will be financially detrimental to the portfolio.
6. Environmental and social investing only needs to not be detrimental to returns.
7. Poor management of ESG risks has led to financially material losses in the past and is expected to do so in the future.
8. ESG is a factor, but not the only factor in choosing investments.

### Engagement and voting (EV)

1. Engagement in a company is more effective than disinvesting from the company.
2. Engagement and voting are influential and can be effective in changing behaviour and improving the Fund's performance as well as having a positive impact on the environment/society.
3. Collaboration with other investors gives the Fund a stronger voice.



# Appendix E - RI Investment Beliefs

## Managers (M)

### 1. Passive managers

- 1.1 The only influence an investor has on a passive manager is the choice of benchmark and level of engagement.
- 1.2 The choice of benchmark is important as it defines the investment portfolio.
- 1.3 The Fund should be an active owner seeking to influence behaviour in investee companies.
- 1.4 The Fund should consider alternative indices that reflect ESG factors.
- 1.5 The direction of travel of the investee companies is even more important than their current scoring on ESG factors.

### 2. Active managers

- 2.1 The social cost of companies will eventually need to be self-financed.
- 2.2 Managers should try as far as possible to price in the potential future impact of ESG risk in asset selection.
- 2.3 Active managers can take into account forward-looking metrics better than passive managers.
- 2.4 The Fund's investment managers should embed the consideration of ESG factors into their investment process and decision making, taking into account the direction of travel and not only current scoring.

## Monitoring and Governance (MG)

1. The ISC should not rely on the Pool for leadership on ESG issues.
2. The ISC should expect the Pool to be able to implement investments in line with its RI policy.
3. The Fund needs to engage and challenge managers on integrating ESG issues in their investment process in line with the RI policy.
4. An RI policy focussed on improving financial outcomes will be to the benefit of Fund stakeholders.
5. It is best to engage stakeholders on the overall approach to managing the Fund rather than on RI policy only.
6. ESG factors should be incorporated into manager reporting in due course.

## Appendix F - Climate metrics in line with Task Force on Climate related Financial Disclosures

The Committee have agreed to measure the following **climate metrics** in line with (TCFD):

Metric Category	Climate Metric
Absolute emissions	Total Greenhouse gas (GHG) emission
Emissions intensity	Carbon footprint
Data quality	The percentage of assets for which Scope 1, 2 and 3 emissions are verified, reported, estimated or unavailable, in line with the GHG Protocol
Portfolio alignment	The percentage of the Fund's assets for which a public Paris-aligned commitment has been made, i.e. net zero by 2050
Additional metrics	Weighted average carbon intensity (WACI)
	% portfolio at year end for which engagement/voting on climate risk has been substantial i.e. substantial engagement or voting comprises instances where climate change, as a topic, has formed part of conversations or engagement above and beyond the typical information requests from companies
	Low carbon transition score



## Appendix G - Statement of Compliance: principles of good investment practice

The below table shows the Fund's adherence to the principles of good investment practice.

Description of Principle	Essex Pension Fund's position	Future actions
<p><b>1. Effective decision making</b></p> <p>Administering Authorities should ensure that:</p> <ul style="list-style-type: none"> <li>Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.</li> </ul>	<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 Fund 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, the Fund is supported by Mark Stevens, the 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 &amp; Skills Framework. The Training Strategy is periodically reviewed to ensure it is fit for purpose. Training is carried out in accordance with the ISC, PSB Two Year Training Plan. All Members are expected to complete Hymans Robertson's LGPS Online Learning Academy. Member training is also recorded and feeds into the scorecard which is reported to the Strategy Board on quarterly basis.</p> <p>The Fund has adopted its own Conflict of Interest Policy. All those associated with the ISC and PSB are required to complete annual declarations. In addition, declarations of interest are noted at the start of each meeting. 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>



## Appendix G - Statement of Compliance: principles of good investment practice

Description of Principle	Essex Pension Fund's position	Future actions
<p><b>2. Clear objectives</b></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 and investment 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 and reviews periodically a series of objectives across five areas: Governance, Investment, Funding, Administration &amp; Communications. Progress against objectives is monitored regularly by the Fund's scorecard. These objectives include:</p> <p>Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;</p> <p>Maximise the returns from investments within reasonable risk parameters;</p> <p>Manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption, where necessary, of employer specific funding objectives;</p> <p>Recognise in drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible; and</p> <p>Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally.</p>	<p>Continual monitoring and review of objectives.</p>

## Appendix G - Statement of Compliance: principles of good investment practice

Description of Principle	Essex Pension Fund's position	Future actions
<p><b>3. Risk &amp; liabilities</b></p> <ul style="list-style-type: none"> <li>In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of their liabilities.</li> <li>These include the implications for local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk.</li> </ul>	<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 under performance due to certain market conditions can occur, the ISC measures active managers against longer term benchmark out performance 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 2022 Valuation, at their June 2023 meeting.</p>

## Appendix G - Statement of Compliance: principles of good investment practice

Description of Principle	Essex Pension Fund's position	Future actions
<p><b>4. Performance assessment</b></p> <p>Arrangements should be in place for the formal measurement of investments, fund managers and advisers</p> <p>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>	<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. Performance data is provided by a specialist provider, independent from the fund managers.</p> <p>The Fund participates in CEM Benchmarking to ascertain whether the Fund is achieving positive net added value at lower cost.</p> <p>The Fund's contracts with its advisers are market tested when appropriate.</p> <p>An effectiveness review of both the Strategy Board and ISC is undertaken periodically with the outcome of this review reported back to the Strategy Board. Included are an assessment of both the Strategy Board &amp; ISC's effectiveness and that of the support received from Fund Officers and Advisers.</p> <p>As part of the Competition and Markets Authority (CMA) requirement the Fund in November 2019 set strategic objectives for its Institutional Investment Advisers, Hymans Robertson which they will be measured against using established long-term investment objectives for the Fund as the basis. Progress will be monitored periodically, and a formal assessment undertaken on an annual basis.</p> <p>Strategy Board &amp; ISC attendance and training outcomes are measured in the quarterly scorecard.</p> <p>The Investment Scorecard is measured on an annual basis.</p>	<p>A further effectiveness review is scheduled for 2025/26</p> <p>A formal assessment is scheduled for Q4 2023/24</p>



## Appendix G - Statement of Compliance: principles of good investment practice

Description of Principle	Essex Pension Fund's position	Future actions
<p><b>5. Responsible ownership</b></p> <p>Administering authorities should:</p> <ul style="list-style-type: none"> <li>• Adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents.</li> <li>• Include a statement of the authority's policy on responsible ownership in the Statement of Investment Principles.</li> <li>• Report periodically to members on the discharge of such responsibilities.</li> </ul>	<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 supports the UK Stewardship and during 2022 gained signatory to the Code.</p> <p>The ISC has adopted its RI Policy and established 10 RI Priorities of which agreement has been given to focus on a subset of priorities each year.</p> <p>The ISC has agreed its Investment Engagement Policy and established a programme of engagements with its investment managers. Engagement is recorded through the Fund's Engagement Log.</p> <p>Investment Manager reports circulated to ISC Members include details of voting records.</p>	<p>Complete the Fund's Annual FRC UK Stewardship Code submission to FRC to maintain its signatory status to the Code.</p>

## Appendix G - Statement of Compliance: principles of good investment practice

Description of Principle	Essex Pension Fund's position	Future actions
<p><b>6. Transparency &amp; reporting</b></p> <p>Administering authorities should:</p> <ul style="list-style-type: none"> <li>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;</li> </ul> <p>and</p> <ul style="list-style-type: none"> <li>Provide regular communication to members in the form they consider most appropriate.</li> </ul>	<p>Each quarterly meeting of the Board includes a review of the Fund's Business Plan and Risk Register. Furthermore, 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 periodically either in person or by use of webinar technology and includes presentations from the Board Chairman, Fund Officers and Advisers as well as provides the opportunity for questions to be raised.</p> <p>The Fund's <a href="#">website</a> includes:</p> <ul style="list-style-type: none"> <li>3 Year Business Plan</li> <li>Annual Report and Accounts</li> <li>Funding Strategy Statement</li> <li>Investment Strategy Statement</li> <li>RI Policy</li> <li>Investment Engagement Strategy</li> <li>Governance Policy and Compliance Statement;</li> <li>Conflicts of Interest; and</li> <li>Communications Policy</li> </ul> <p>News items are periodically posted to the Fund's website around the ISC's activities.</p> <p>Individual scheme members receive newsletter updates throughout the year in addition to annual benefit statements.</p>	<p>2024/24 Business Plan deliverable is to develop specification for a bespoke Pension Fund Website that will be fit for purpose now and in the future which will include a dedicated area for investments.</p>

## Definition of Terms

AAF0106	Internal Control report undertaken by an external auditor
ACCESS	A Collaboration of Central, Eastern and Southern Shires
ACS	Authorised Contractual Scheme
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
EY	Ernst & Young
FRC	Financial Reporting Council
FSS	Funding Strategy Statement
FTSE	Financial Times Stock Exchange
GDP	Gross Domestic Product
GHG	Emissions Greenhouse Gas Emissions
IPD PPFI	Pooled Property Fund Index
IRR	Internal Rate of Return
ISC	Investment Steering Committee
ISS	Investment Strategy Statement
LA	Local Authority
LAPFF	Local Authority Pension Fund Forum
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
RI	Responsible Investment
S151O	Section 151 Officer
SDLT	Stamp Duty Land Tax
SIP	Statement of Investment Principles
TCFD	Taskforce on Climate related Financial Disclosures





# Funding Strategy Statement

March 2023

# 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.*

# Essex Pension Fund

## Funding Strategy Statement

### 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 Investment Strategy Statement (ISS) for the Fund published Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016; and
  - the Public Services Pensions Act 2013 section 13(4)
- 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 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 currently 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 primary rate of contribution as possible. The Actuary must have regard to the FSS in carrying out the valuation.

The Fund’s employers and the Fund Actuary, Barnett Waddingham LLP, have been consulted on the contents of this statement.

# Essex Pension Fund

## Funding Strategy Statement

### 2. Purpose of the Funding Strategy Statement 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 Fund's 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 as defined in Regulation 62(5) of the LGPS Regulations 2013;
- to ensure that the regulatory requirements to set contributions so as to ensure the solvency and long-term cost efficiency of the fund are met; 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:

- to prudently set levels of employer contributions that aim to achieve a fully funded position in the timescales determined in the FSS;
- 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 ensure benefits can be met as and when they fall due over the lifetime of the Fund;
- to adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other employers and ultimately the taxpayer from an employer defaulting on its pension obligations to minimise unrecoverable debt on termination of employer participation;

# Essex Pension Fund

## Funding Strategy Statement

- 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; and
- to maximise the returns from investments within reasonable risk parameters;
- pay out monies in respect of scheme benefits, transfer values, costs, charges and expenses, as defined in the Local Government Pension Scheme Regulations 2013 (as amended) the Local Government Pension Scheme and in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

In developing the funding strategy, the Administering Authority should also have regard to the likely outcomes of the review carried out under Section 13(4)(c) of the Public Service Pensions Act 2013. Section 13(4)(c) requires an independent review of the actuarial valuations of the LGPS funds; this involves reporting on whether the rate of employer contributions set as part of the actuarial valuations are set at an appropriate level to ensure the solvency of the Fund and the long-term cost efficiency of the Scheme so far as relating to the Fund. The review also looks at compliance and consistency of the actuarial valuations.

#### 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 in accordance with the LGPS Regulations;
- collect employer and employee contributions, investment income and other amounts due to the pension fund as stipulated in the LGPS Regulations;
- invest the Fund's assets in accordance with the ISS;
- pay from the Fund the relevant entitlements as stipulated in the LGPS Regulations;
- ensure that cash is available to meet liabilities as and when they fall due; take measures as set out in the Regulations to safeguard the Fund against the consequences of employer default;
- manage the actuarial valuation process in consultation with the Fund Actuary;





# Essex Pension Fund

## Funding Strategy Statement

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- prepare and maintain an FSS and an ISS, both after consultation with interested parties;
- monitor all aspects of the Fund's performance and funding and amend the FSS/ ISS when necessary;
- effectively manage any potential conflicts of interests arising from its dual role as both fund administrator and scheme employer; and
- enable the local pension board to review the valuation process as set out in their terms of reference.

### **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 and set out in the rates and adjustments certificate, promptly within 19 days of the end of the month in which the amount was deducted from earnings;
- 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 or other additional costs such as additional strain on the Fund due to unreduced early retirement, in accordance with agreed policies and procedures;
- notify the Administering Authority promptly of all changes to active membership or, other changes proposed, which affect future funding;
- pay any exit payments on ceasing participation in the Fund; and
- complete year end procedures in a timely manner as set out by the Fund.

### **The Fund Actuary should:**

- prepare valuations, including the setting of employers' contribution rates at a level to ensure solvency and long-term cost efficiency 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 funding aspects of individual benefit-related matters such as pension strain costs, ill health retirement costs, compensatory costs etc;
- provide advice and valuations on the exiting of employers from the Fund;
- provide advice and valuations to the Administering Authority relating to new employers, including recommending the level of bonds or other forms of security required to protect the Fund against the financial effect on the Fund of employer default;



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## Funding Strategy Statement

- assist the Administering Authority in assessing whether employer contributions need to be revised between valuations as required by the Regulations;
- 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; and
- provide advice on other actuarial matters affecting the financial position of the Fund.

### 5. Solvency issues and target funding levels

To meet the requirements of the LGPS Regulations, the Administering Authority's long-term funding objective is to achieve and then maintain assets equal to 100% of projected accrued liabilities. 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 Fund are set at an appropriate level to ensure the solvency of the Fund and long-term cost efficiency of the LGPS.

The key elements of the funding strategy include:

- the long-term aim is to achieve and maintain 100% funding of pension liabilities;
- favourable investment performance which 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 appropriate;
- although the membership profile has matured slightly since the last valuation in 2019, the Fund can still take a long-term perspective in setting the investment strategy; and
- 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 2022. The results of the valuation indicate that overall the assets of the Fund represented 102.3% of accrued liabilities at the valuation date based on the assumptions set out in the Appendix.

This figure includes an allowance for a stability reserve of 15% to protect the Fund against downside risk. This reserve represents the level of prudence that the Fund is comfortable with in order to protect the existing member benefits without putting a higher value on benefits that will be accrued in the future. The stability reserve will be reviewed at each valuation and will not

# Essex Pension Fund

## Funding Strategy Statement

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be taken into account when determining an existing employer's bond or exit payment or the contribution rate for any new employer joining the Fund.

The Administering Authority after due consideration of all 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 and maintain 100% funding of liabilities in the long term;
- employer contribution rates will be made up of two separate elements:
  - primary 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
  - secondary rate, an adjustment to the primary rate, expressed in most instances as a cash sum or in the case of pooled employers this is expressed as a percentage of contribution due, to recover any shortfall or reduce any surplus revealed by the actuarial valuation (payable as detailed in this FSS) or to help with maintaining stability of contributions;
- where the secondary rate for an individual employer is set to reduce any surplus revealed by the actuarial valuation, the rate will be negative and normally expressed as a percentage of payroll.
- where an employer has an ongoing funding level above 100%, and cessation is on a 'full cessation basis', payment towards the cessation debt will commence. Where a charity or Community body are targeting the full cessation basis affordability, the current economic situation will be taken account of when setting this payment.
- 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 pooled group.
- all Essex Academies and Academy contractors participate within a single funding pool;
- the Fund will set deficit recovery periods for the T&PC and Academies that, as far as possible, are likely to reduce the level of deficit during the inter-valuation period if all the Actuary's assumptions prove correct.
- 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;
- 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. Once in the Academy pool, the converted Academy will be allocated notional assets equal to the funding level of the pool;

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- 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);



*Whilst a deficit exists, annual contributions will not normally be reduced. This may result in a shorter deficit recovery period than described above.*

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 Regulation 64(2a-c), this may only apply where it is expected a new member will join.

- A Town or Parish Council may defer a cessation valuation if the last active member leaves the Fund but the Town or Parish Council is intending to offer LGPS membership to a new employee. This will be in agreement with the Fund and any deficit payments, as calculated by the Fund Actuary, due by the Town or Parish Council must continue to be paid during the suspension period. Any suspension period will be time-limited and at the discretion of the Fund. Once the T&PC has an active member, the pooled T&PC contribution rate will be paid.
- If there are no active members at the end of the suspension period or a Pool Member chooses to close LGPS participation to new employees, then a cessation valuation will be carried out to determine an exit payment/credit and that employer would no longer be a Member of the Pool. This will protect the remaining Pool Members from the change of employer characteristics which apply after closure. If a T&PC becomes insolvent and is unable to meet their pension liabilities, then the Fund will, in the first instance, secure any payments required to meet these liabilities from any guarantor. If there is no guarantor, then these liabilities will fall to the T&PC pool.

# Essex Pension Fund

## Funding Strategy Statement

### Objective and maximum ongoing 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, Police	2019 deficit recovery period less 3 years	18 years
C	Scheduled - other 2	Further and higher education corporations	average remaining working life	9 years
D	Scheduled - other 2	Further and higher education corporations providing evidence of financial security to the satisfaction of the Essex Pension Fund	2019 deficit recovery period less 3 years	18 years
F	Transferee admission	Contractor	contract length	contract length
G	Community admission 1	Voluntary not for profit charities, housing associations	average remaining working life	the lower of average remaining working life and 9 years
H	Community admission 2	Employer providing evidence of financial security to the satisfaction of Essex Pension Fund	average remaining working life	12 years
Pooled Employers				
B	Academies			17 years
E	Resolution	Town and Parish Council		18 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.
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. Where a charity/community body is fully funded on an ongoing basis the payment to cessation will take into account affordability within the current economic situation and not apply average working life.
5. While a deficit exists, annual contributions will not generally be reduced. This may result in a shorter deficit recovery period than the objective.
6. Contributions are subject to the certification of the Actuary.

# Essex Pension Fund

## Funding Strategy Statement

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- The 2023/24, 2024/25 and 2025/26 deficit amounts certified for each employer will reflect one of the following:
  - i. the actuarially assessed value of the annual deficit or respective payment to cessation 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 or payment to cessation 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 2023.
- Individual employers retain the freedom to:
  - Make an additional lump sum payment prior to 1 April 2023, following agreement with the Administering Authority. The annual deficit amounts certified for financial years 2023/24, 2024/25 and 2025/26 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 an employer allows an early retirement, for any reason other than ill health, that produces a strain on the Fund cost, payment of the strain is to be met in the form of an immediate lump sum to the Fund.

In all cases, the Administering Authority reserves the right to apply a different approach at its sole discretion, taking into account the risk associated with an employer in proportion to the Fund as a whole.



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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 2022, 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 rates and adjustments certificate issued.

### Contribution reviews between actuarial valuations

It is anticipated for most Scheme employers that the contribution rates certified at the formal actuarial valuation will remain payable for the period of the rates and adjustments certificate. However, there may be circumstances where a review of the contribution rates payable by an employer (or a group of employers) under Regulation 64A is deemed appropriate by the Administering Authority.

A contribution review may be requested by an employer or be required by the administering authority. The review may only take place if one of the following conditions are met:

- (i) it appears likely to the Administering Authority that the amount of the liabilities arising or likely to arise has changed significantly since the last valuation;
- (ii) it appears likely to the Administering Authority that there has been a significant change in the ability of the Scheme employer or employers to meet the obligations of employers in the Scheme; or
- (iii) a Scheme employer or employers have requested a review of Scheme employer contributions and have undertaken to meet the costs of that review. A request under this condition can only be made if there has been a significant change in the liabilities arising or likely to arise and/or there has been a significant change in the ability of the Scheme employer to meet its obligations to the Fund.

Guidance on the Administering Authority's approach considering the appropriateness of a review and the process in which a review will be conducted is set out in the Fund's separate contribution review policy. This includes details of the process that should be followed where an employer would like to request a review.

Once a review of contribution rates has been agreed, unless the impact of amending the contribution rates is deemed immaterial by the Fund Actuary, then the results of the review will be applied with effect from the agreed review date, regardless of the direction of change in the contribution rates.

Note that where a Scheme employer seems likely to exit the Fund before the next actuarial valuation then the Administering Authority can exercise its powers under Regulation 64(4) to carry out a review of contributions with a view to providing that assets attributable to the Scheme



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employer are equivalent to the exit payment that will be due from the Scheme employer. These cases do not fall under the separate contribution review policy.

With the exception of any cases falling under Regulation 64(4), the Administering Authority will not accept a request for a review of contributions where the effective date is within 12 months of the next rates and adjustments certificate.

### Pooling of individual employers

The policy of the Fund is that each individual employer should be responsible for the costs of providing pensions for its own employees who participate in the Fund. Accordingly, contribution rates are set for individual employers to reflect their own particular circumstances.

However, certain groups of individual employers are pooled for the purposes of determining contribution rates to recognise common characteristics.

The funding pools adopted for the Fund at the 2022 valuation were all pooled for past and future service and are summarised in the table below.

Pool	Notes
Essex Schools (ECC, schools including former GM schools)	Essex County Council pay primary rate and secondary contributions when in deficit as monetary amounts while schools pay total rate.
Southend Schools (Southend-on-Sea City Council, Schools including former GM schools)	Southend-on-Sea City Council pay primary rate and secondary contributions when in deficit as monetary amounts while schools pay total rate.
Academies	All academies in the pool including contractors let by academies. Employers are stepped towards paying the same total contribution rate.
Police	Police and Fire Crime Commissioner and Essex Chief Constable pay the same primary rate and an equivalent secondary rate (as a percentage of payroll) as monetary amounts.
Town and Parish Councils	All T&PCs pay the same contribution rate. Those T&PCs in suspension will pay equivalent secondary contributions as monetary payments.
SLM	All SLM contracts in the pool pay the same total rate.
Essex Cares	All Essex Cares contracts in the pool pay the same total rate.

# Essex Pension Fund

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The main purpose of pooling is to produce more stable employer contribution levels, although recognising that ultimately there will be some level of cross-subsidy of pension cost amongst pooled employers.

Where the Fund identifies a group of employers with similar characteristics and potential merits for pooling, it is possible to form a pool for these employers. Advice should be sought from the Fund Actuary to consider the appropriateness and practicalities of forming the funding pool.

Conversely, the Fund may consider it no longer appropriate to pool a group of employers. This could be due to divergence of previously similar characteristics or an employer becoming a dominant party in the pool (such that the results of the pool are largely driven by that dominant employer). Where this scenario arises, advice should be sought from the Fund Actuary.

Funding pools should be monitored on a regular basis, at least at each actuarial valuation, in order to ensure the pooling arrangement remains appropriate.

### Termination of an employer's participation in the Scheme

When a Scheme employer exits the Fund and becomes an exiting employer, as required under the Regulations the Fund Actuary will be asked to carry out an actuarial valuation in order to determine the liabilities in respect of the benefits held by the exiting employer's current and former employees. The Fund Actuary is also required to determine the exit payment due from the exiting employer to the Fund or the exit credit payable from the Fund to the exiting employer.

Any deficit in the Fund in respect of the exiting employer will be due to the Fund as a single lump sum payment, unless it is agreed by the Administering Authority and the other parties involved that an alternative approach is permissible. For example:

- in certain circumstances, subject to satisfactory surety, a formal plan may be agreed between the Fund, the Fund Actuary and the Employer, and if applicable the Transferor Scheme Employer, to manage payment of deficit up to and beyond the termination date;
- the assets and liabilities relating to the employer may transfer within the Fund to another participating employer;
- the employer's exit may be deferred subject to agreement with the Administering Authority, for example if it intends to offer Scheme membership to a new employee within six months of the last active member departing (employer payments will continue in the interim period to be agreed with the Fund); or
- 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, providing an agreed payment plan to recover any cessation amounts due.

Similarly, any surplus in the Fund in respect of the exiting employer may be treated differently to a payment of an exit credit, subject to the agreement between the relevant parties and any legal documentation.

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In assessing the value of the liabilities attributable to the exiting employer, the Fund Actuary may adopt differing approaches depending on the employer and the specific details surrounding the employer's cessation scenario.

For example, if it is agreed that another employer in the Fund will accept responsibility for the residual liabilities, then the assumptions adopted will be consistent with the current ongoing funding position, but additional prudence may be included in order to take into account potential uncertainties and risk e.g. due to adverse market changes, additional liabilities arising from regulatory or legislative change and political/economic uncertainties. The additional level of prudence will be set by considering the distribution of funding levels under a large number of economic scenarios, with the aim being to gain a reasonable level of confidence that the Fund will be able to meet its benefits obligations to the relevant members in future.

If there is no guarantor in the Fund willing to accept responsibility for the residual liabilities of the exiting employer, then those liabilities may be assessed on a prudent "ongoing" basis. The assumptions adopted will be consistent with the current ongoing funding position, but with additional prudence included in order to take into account potential uncertainties and risk e.g. due to adverse market changes, additional liabilities arising from regulatory or legislative change and political/economic uncertainties. The additional level of prudence will be set by considering the distribution of funding levels under a large number of economic scenarios, with the aim being to gain a reasonable level of confidence that the Fund will be able to meet its benefits obligations to the relevant members in future.

If there is no guarantor in the Fund the residual liabilities and assets including any cessation payment (or excluding any cessation credit payment) will be added to a common "Orphan Pool" which will be monitored at each actuarial valuation, to ensure the assets in the Orphan Pool remain sufficient to cover the respective benefits. Should a deficit arise at future actuarial valuations, the Orphan Pool may be allocated additional assets from other participating employers in the Fund.

### Exit Credits Policy

Exiting employers must supply evidence of any pension risk taken by them in the contractual agreement arrangements, to assist in the correct application of the exit credit process.



In determining the exit credit, the Fund and the Fund Actuary will take account of the following:

- where no risk is borne by the employer any credit will fall to the letting authority or guarantor;
- consideration will be given to the level of primary and secondary contributions paid into the fund when assessing a cap on any exit credit;
- where an exit credit is payable, the Regulations require an exit credit payment to be made "within six months of the exit date or such longer time as the Administering Authority and

# Essex Pension Fund

## Funding Strategy Statement

the exiting employer may agree". Where data from the exiting employer is received after the exiting date, the Administering Authority will seek to agree with the exiting employer a deadline date of six months from when all data is received or longer if the situation requires and;

- an exit credit will not be paid if, the Administering Authorities view, there is sufficient risk that a deficit may arise post cessation and that this deficit will fall to other employers in the Fund.

Any other relevant factors will be considered by the Administering Authority and legal advice sought where appropriate.

### Managing Exit Payments

Where a cessation valuation reveals a deficit and an exit payment is due, the expectation is that the employer settles this debt immediately through a single cash payment. However, should it not be possible for the employer to settle this amount, providing the employer puts forward sufficient supporting evidence to the Administering Authority, the Administering Authority may agree a deferred debt agreement (DDA) with the employer under Regulation 64(7A) or a debt spreading agreement (DSA) under Regulation 64B.

Under a DDA, the exiting employer becomes a deferred employer in the Fund (i.e. they remain as a Scheme employer but with no active members) and remains responsible for paying the secondary rate of contributions to fund their deficit. The secondary rate of contributions will be reviewed at each actuarial valuation until the termination of the agreement.

Under a DSA, the cessation debt is crystallised and spread over a period deemed reasonable by the Administering Authority having regard to the views of the Fund Actuary.

Whilst a DSA involves crystallising the cessation debt and the employer's only obligation is to settle this set amount, in a DDA the employer remains in the Fund as a Scheme employer and is exposed to the same risks as active employers in the Fund (e.g. investment, interest rate, inflation, longevity and regulatory risks) meaning that the deficit will change over time.

Guidance on the Administering Authority's policy for entering into, monitoring and terminating a DDA or DSA is set out in the Fund's separate DSA and DDA policies document. This includes details of when a DDA or a DSA may be permitted and the information required from the employer when putting forward a request for a DDA or DSA.

### New admissions to the Fund

- All transferee admission bodies (i.e. contractors delivering services to scheme employers) will be accepted for admission into the Fund so long as all the necessary



# Essex Pension Fund

## Funding Strategy Statement

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.
- Other admission bodies will be accepted for participation in the Fund, 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 or guarantee will be required for all admission bodies, 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.



### Risk-sharing

There are employers that participate in the Fund with a risk-sharing arrangement in place with another employer in the Fund.

For example, there are employers participating in the Fund with pass-through provisions: under this arrangement the pass-through employer does not take on the risk of underfunding as this risk remains with the letting authority or relevant guaranteeing employer. When the pass-through employer ceases participation in the Fund, it is not responsible for making any exit payment, nor receiving any exit credit, as any deficit or surplus ultimately falls to the letting authority or relevant guaranteeing employer.

At the 2022 valuation, risk-sharing arrangements were allowed for by allocating any deficit/liabilities covered by the risk-sharing arrangement to the relevant responsible employer.



# Essex Pension Fund

## Funding Strategy Statement

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The administering authority may consider risk-sharing arrangements as long as the approach is clearly documented in the admission agreement, the transfer agreement or any other side agreement. The arrangement also should not lead to any undue risk to the other employers in the Fund.

Legal and actuarial advice in relation to risk-sharing arrangements should be sought where required.

### Employer Ill health and Death in Service Policy

To help mitigate the financial implications of unexpected additional ill-health and death in service costs on employers, the Fund has considered the options available. The implementation of a self-insurance mechanism provides protection to small and medium sized employers against potentially significant strain costs arising from ill-health early retirements or deaths in service.

The Policy was effective from 1 April 2020, to support contribution stability for the appropriate employers that participate in the Fund. The self-insurance mechanism is achieved through creating a pool of assets (the self-insurance reserve) that will be used to match the increase in an employer's liability as a result of an ill-health retirement or death in service. Contributions to the pool are based on the existing assumption for ill-health and death in service liability exposure adopted by the Fund Actuary for the most recent actuarial valuation. This arrangement is subject to review at subsequent actuarial valuations and will operate as follows:

- The self-insurance ill-health and death in service arrangement applies to all employers (both existing and new) with less than 1,000 active members as at the valuation date or date of commencement, if later.
- A defined percentage of contributions or "premiums" are paid by the employers covered by the Policy and held in the self-insurance reserve which is tracked separately by the Fund Actuary in the valuation calculations.
- These premiums are taken from the employer's current primary rate. The premium is expected to be less than 1% p.a. and will be determined based on recent past combined experience of this group of employers. No additional contributions are required from employers to create the self-insurance reserve.
- The self-insurance reserve is then used to meet the strain costs arising from ill health Tier 1 & 2 only and death in service benefits in respect of active members only. The increase in liabilities is matched with a transfer of assets from the reserve so that there is no initial impact on the deficit position for employers participating in the self-insurance arrangement. The increase in liabilities will be calculated using the ongoing funding assumptions and therefore the transfer of assets will match only on this basis. This means a deficit could arise when providing accounting disclosure or on the exit of an employer.



# Essex Pension Fund

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- The annual premiums are set in line with the average annual expected ill-health and death is service costs based on the funding assumptions. At each formal triennial valuation, the self-insurance reserve is set to zero and any excess assets redistributed to the appropriate employers in line with payroll. The premium is reviewed as part of the triennial valuation but should be reviewed more frequently if actual experience is materially different from expected.
- In the event of adverse experience over the valuation period any shortfall in the self-insurance reserve will be met by the appropriate employers. The Actuary will adjust future premiums to recover any shortfall over a reasonable time period to enable premiums to remain as stable as possible for employers. Over time the reserve is therefore intended to be self-funding and smooth out fluctuations in the contribution requirements for those employers in the arrangement.
- Premiums will be adjusted for any changes in LGPS benefits or Regulations that impact these benefits. The premiums will be included in the certified employer rates at each triennial valuation or in the initial contribution rate for any new employers participating in the Fund.
- The Fund reserves the right to remove an employer from participating in the policy where there is evidence of moral hazard or where they are in breach of the Regulations.

### 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 Funds ISS is available from [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk). under forms and publications.

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

# Essex Pension Fund

## Funding Strategy Statement

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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.

### 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 both the investment strategy of the Fund, and the requirement to take a "prudent longer-term view" of the funding of liabilities.

As at 31 March 2022 the discount rate used, in order to calculate the current value of future pension benefits payable is 4.3%.

## 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.

The valuation results are most sensitive to the real discount rate (i.e. the difference between the discount rate assumption and the price inflation assumption). Broadly speaking an increase/decrease of 0.1% p.a. in the real discount rate will decrease/increase the valuation of the liabilities by about 2%, and decrease/increase the primary rate by around 1% of payroll p.a.

At the time of drafting this FSS, it is still unclear how the impact of the McCloud/Sargeant judgement will affect current and future LGPS benefits. Detail on how this has been allowed for in the 2022 valuation is given in the Appendix.

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 Funds full risk register is available from [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk).

# Essex Pension Fund

## Funding Strategy Statement

### 8. Climate risk

There are a large number of interlinked systemic long-term financial risks related to climate change which could potentially have a material impact on the assets and/or the liabilities of the Fund. The most obvious of these climate change risks will be the financial risks to the value of the Fund's assets, the potential increased volatility of markets and potential changes in life expectancy. It is possible that some of these factors will impact the assets and liabilities of the Fund in the same direction, although not necessarily by the same amount.



The Fund therefore has a fiduciary duty to consider climate change risk when making investment decisions and to ensure any decisions support the effective management of climate change. The Fund therefore expects their appointed investment managers to be informed about climate change risks and take investment opportunities accordingly within their processes. More detail is included in the Fund's ISS.

As part of the 2022 valuation, the Fund Actuary provided the Fund with a climate risk analysis which assessed the potential exposure of the Fund's funding position to climate risk under different climate scenarios. The principles behind the analysis were agreed with the Government Actuary's Department (GAD).

The results of this analysis demonstrated that the funding strategy agreed as part of the 2022 valuation was sufficiently robust in the context of climate scenario analysis and any potential contribution impacts.

The Fund will continue to assess this risk on a regular basis.

### 9. 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 the current full actuarial valuation cycle. Any review will take account of the then current economic conditions and will also reflect any legislative changes.

# Essex Pension Fund

## Funding Strategy Statement

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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 current 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; or
- if there have been any significant special contributions paid into the Fund.

# Essex Pension Fund

## Funding Strategy Statement

### Appendix A

#### Detailed assumptions used in calculating the funding target

When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. A consultation has been run in relation to the changes proposed for the LGPS and legislation is now being drafted to bring forward these changes. We understand the updated Regulations are to be consulted on over the course of 2022 with revised Regulations effective from October 2023.

For the 2022 valuation, as required by the Department for Levelling Up, Housing & Communities, in calculating the value of members' liabilities it was assumed that:

- The current underpin (which only applies to those members within 10 years of their NPA at 31 March 2012) will be revised and will apply to all members who were active in the Scheme on or before 31 March 2012 and who join the post 1 April 2014 scheme without a disqualifying service gap;
- The period of protection will apply from 1 April 2014 to 31 March 2022 but will cease when a member leaves active service or reaches their final salary scheme normal retirement age (whichever is sooner);
- Where a member remains in active service beyond 31 March 2022 the comparison of their benefits will be based on their final salary when they leave the LGPS or when they reach their final salary scheme normal retirement age (again whichever is sooner);
- Underpin protection will apply to qualifying members who leave active membership of the LGPS with an immediate or deferred entitlement to a pension; and
- The underpin will consider when members take their benefit.

# Essex Pension Fund

## Funding Strategy Statement

The key assumptions used for the 2022 valuation are set out in the table below. The assumptions used in the 2019 valuation have been included for comparison.

Assumptions	Assumption used for 2022 valuation	Assumptions used for the 2019 valuation
<i>Financial assumptions</i>		
Market date	31 March 2022	31 March 2019
CPI inflation	2.9% p.a.	2.6% p.a.
Salary increases	3.9% p.a.	3.6% p.a.
Discount rate	4.3% p.a.	4.5% p.a.
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 increases. For members that reach SPA after this date, we have assumed that Funds are required to pay the entire inflationary increases	
<i>Demographic assumptions</i>		
Member base tables	Male / Female	Male / Female
Member mortality multiplier	S3PA	S3PA
Projection model	110% / 110%	110% / 115%
Long-term rate of improvement	CMI 2021	CMI 2018
Smoothing parameter	7.0	7.5
Initial addition to improvements	0.0% p.a.	0.5% p.a.
2020 and 2021 weight parameter	5%	n/a
Retirement assumption	Weighted average of each tranche retirement age	
Pre-retirement decrements	GAD 2019 scheme valuation with no salary scale, 50% IH decrement, 110% (M) and 115% (F) of pre-retirement mortality table	GAD 2019 scheme valuation with no salary scale, 50% IH decrement, 105% of pre-retirement mortality table
50:50 assumption	Member data	Member data
Commutation	50% of maximum	50% of maximum
% members with qualifying dependant	75% (M) / 70% (F)	75% (M) / 70% (F)
Age difference	Males are 3 years older	Males are 3 years older



# Essex Pension Fund

## Funding Strategy Statement

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### Further Information

If you require further information about anything in or related to the Funding Strategy Statement, please contact:

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Essex Pension Fund

# Governance Policy and Compliance Statement

March 2021



# Essex Pension Fund

## Governance Policy and Compliance Statement

### Introduction and Legal Requirements

Essex County Council is the Administering Authority responsible for maintaining and managing the Essex Pension Fund on behalf of its stakeholders; the Scheme Members and Employers participating in the Fund. These responsibilities are primarily set out in Local Government Pension Scheme (LGPS) Regulations.

Flexibility is provided for each Administering Authority to determine their own governance arrangements. However, the LGPS Regulations (regulation 55 of the LGPS Regulations 2013) require each Administering Authority to prepare, publish and maintain a governance policy and compliance statement setting out whether the Administering Authority delegates its functions, or part of its functions to a committee, a sub-committee or an officer of the authority, and if so:

- a. the terms, structure and operational procedures of the delegation;
- b. the frequency of any committee or sub-committee meetings;
- c. whether such a committee or sub-committee includes representatives of Scheme Employers or Members, and if so, whether those representatives have voting rights;
- d. 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
- e. details of the terms, structure and operational procedures relating to the local pension board.

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 e. above; and
- c. if revisions are made, publish the statement as revised.

In reviewing and making revisions to the statement, the Administering Authority must consult such persons as it considers appropriate.

This document is the Governance Policy and Compliance Statement for Essex Pension Fund that has been prepared to meet the requirement of the LGPS Regulations. The Governance Compliance Statement noted in point d. above is included as Annex A.

### About the Essex Pension Fund ('the Fund')

Under 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 Pension Fund

## Governance Policy and Compliance Statement

Essex County Council therefore administers the Fund for its own employees and those of the 14 Borough, City, District and Unitary Councils, and numerous other bodies. In total there are over 700 separate Employers participating in the Fund. The Fund does not provide pensions for teachers, fire-fighters and police officers, for whom separate arrangements exist but includes administrative and support staff for those organisations.

<b>Membership Summary as 31 March 2020</b>	
Active Members	57,498
Pensioners / Dependants	44,682
Deferred* Members	69,857
<b>Total</b>	<b>172,037</b>

\* 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.

### Aims and Objectives

In relation to the governance of the Fund we will aim to:

- provide a high-quality service whilst maintaining value for money;
- ensure compliance with the LGPS regulations, other relevant legislation and the Pensions Regulator's Codes of Practice;
- ensure the Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise;
- evolve and look for new opportunities, ensuring efficiency at all times;
- act with integrity and be accountable to our stakeholders;
- understand and monitor risk and compliance;
- continually measure and monitor success against our objectives; and
- ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

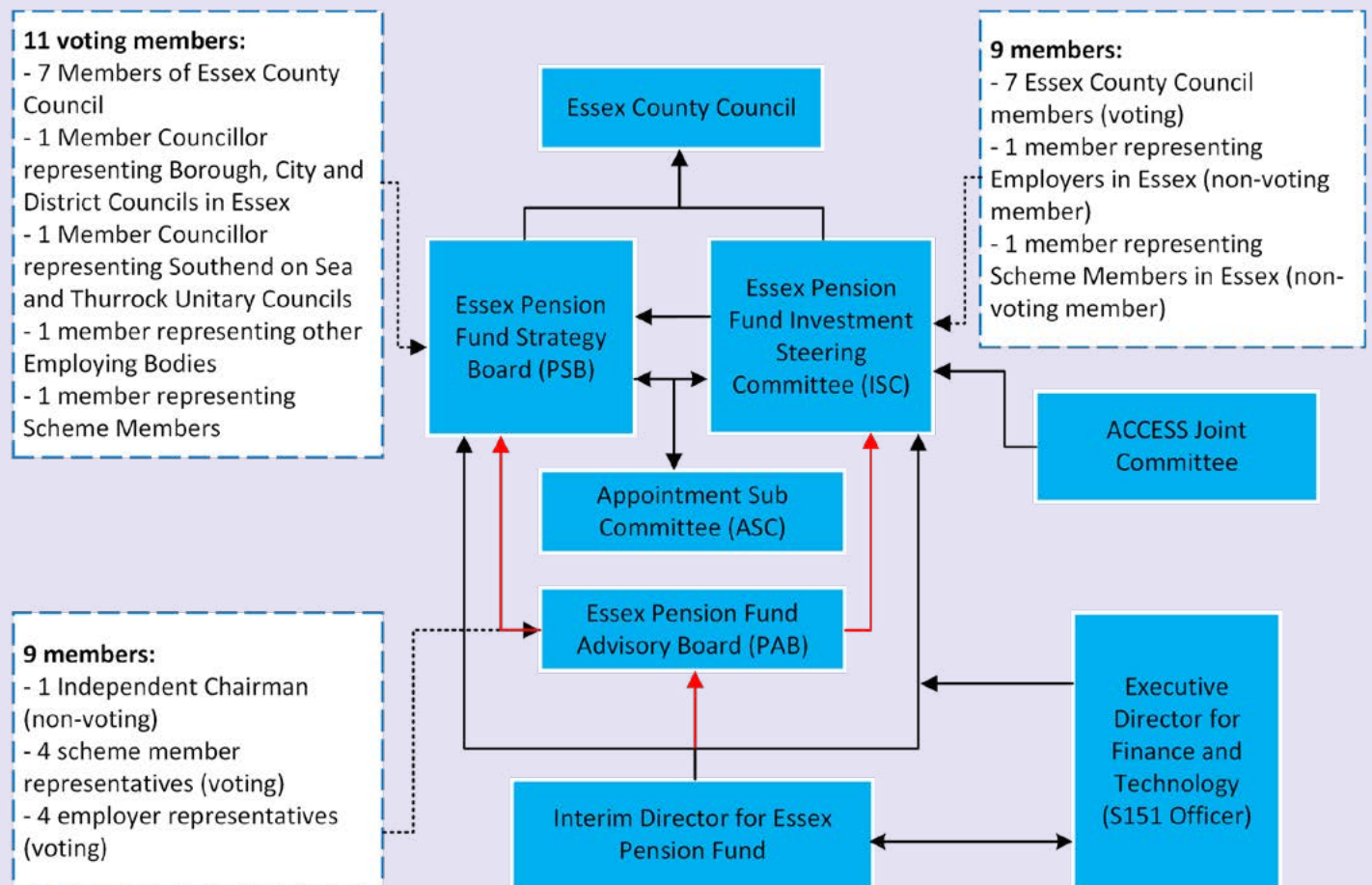
# Essex Pension Fund

## Governance Policy and Compliance Statement

### Governance Structure

The Fund's governance structure is illustrated below. This structure relates to the Administering Authority responsibilities only. Essex County Council is also an Employer within the Fund. A separate governance structure and Scheme of Delegation is in place in relation to Essex County Council's employer pension responsibilities:

Full details of the delegations from Essex County Council as Administering Authority are available from [www.essex.gov.uk/our-constitution](http://www.essex.gov.uk/our-constitution). A summary of each of the key Boards/Committee and delegations are set out below:



### Decision Making Bodies

The Fund's Decision Making Bodies are the Essex Pension Fund Strategy Board (PSB) and the Investment Steering Committee (ISC). The decisions these bodies are required to make are detailed within the Role and Function sections overleaf.

# Essex Pension Fund

## Governance Policy and Compliance Statement

### Essex Pension Fund Strategy Board

#### Membership

There are 11 Members of the Essex Pension Fund Strategy Board (PSB) including:

All Voting Members	How Nominated or Appointed	Term of Office
7 Members of the Council	Appointed by the Council	1 year as appointed at the annual meeting of the Council or as changed from time to time by the Constitution
1 Member Councillor representing Borough, City and District Councils in Essex	Nominated by Essex Borough and District Leaders/Chief Executives	4 years from the relevant Borough, City and District Council elections
1 Member Councillor representing Southend on Sea and Thurrock Unitary Councils	Nominated jointly by and from either Southend-on-Sea and Thurrock Councils	4 years from the relevant Unitary Council elections
1 Member representing other Employing Bodies	Nominated by other employers at the employer forum or such other process as agreed by the Chairman and the Interim Director for the Fund and must be in the employment of or hold office in relation to a Fund Employer	6 years from date of appointment
1 Member representing Scheme Members	Nominated by Unison and must be a member of the Fund	6 years from date of appointment

\*voting is subject to other provisions within this document.

The Constitution does not permit non-Essex County Council Members to have substitutes.

#### Quorum

A meeting of the PSB shall only be quorate when:

- i) At least 4 members are present, and
- ii) At least 3 of the members present are Essex County Council members.



# Essex Pension Fund

## Governance Policy and Compliance Statement

### Term of Office

The Term of Office may be extended by up to six months if considered necessary for the purpose for the appointment process, for example, due to the timing of local authority elections, with the agreement of the Director for Essex Pension Fund.

Any PSB Member may be re-appointed for further terms following the appropriate appointment process.

A Member may resign by giving notice to the Director for Essex Pension Fund and shall cease to be qualified to be a member of the PSB if they cease to hold the office or employment which qualifies them for the role.

### Role and Function

The PSB will 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 Essex Pension Fund except where they have been specifically delegated by the Council to another Committee or to an Officer. Its principal aim is to consider pensions matters with a view to safeguarding the interests of all pension fund Members. In doing so, the PSB will take account of advice from the Director for Essex Pension Fund and the Fund's professional Advisers.

The role of the PSB will include the following specific functions:

- i. to monitor and oversee the work of the Fund Investment Steering Committee (ISC) through its quarterly reports;
- ii. to ensure the proper administration of the Fund, including compliance with the LGPS and other legislation, ensuring that it delivers best value and compliance with statutory and non-statutory best practice guidance where considered appropriate;
- iii. to determine, review and monitor the Fund's aims, objectives, strategies, compliance statements and procedures relating to the funding strategy, including approving its Funding Strategy Statement;
- iv. to make arrangements for the actuarial valuation, ongoing monitoring of liabilities and to undertake any asset/liability and other relevant studies as required;
- v. to determine, review and monitor the Fund's policy in regard to Employer admission and cessation arrangements;
- vi. to determine, review and monitor the Fund's other aims, objectives, policies, strategies, compliance statements and procedures for the overall management of the Fund, including but not limited to administration, communications and governance;
- vii. to determine how the various Administering Authority discretions are operated for the Fund;
- viii. to agree Administering Authority responses to consultations by Central Government, professional and other bodies;

# Essex Pension Fund

## Governance Policy and Compliance Statement

- ix. to consider any views expressed by employing organisations and staff representatives;
- x. to both appoint and terminate the appointment of the Fund's advisers, including actuaries, governance advisers and specialist lawyers (where required) and periodically to review those arrangements;
- xi. to agree the Fund's business plans and monitor progress against them;
- xii. to consider the Fund's financial statements and to approve an Annual Report on the activities of the Fund in line with legislation and guidance; and
- xiii. to agree a Knowledge and Skills Strategy and ensure its requirements are adhered to.

No matters relating to Essex County Council's responsibilities as an Employer participating in the Essex Pension Fund are delegated to the PSB.

### Membership

There are 9 Members of the Investment Steering Committee (ISC).

Members	How Nominated or Appointed
7 Members of the Council (voting members)	All Council Members of the PSB
1 Member representing Employers in Essex (non-voting member)	The Member of the PSB nominated by Essex Borough, City and District Leaders/Chief Executives
1 Member representing Scheme Members (non-voting member)	The Member of the PSB nominated to represent Scheme Members

All ISC Members shall be drawn from PSB membership as follows:

The Chairman and Vice-Chairman of the ISC shall be the Chairman and Vice-Chairman of the PSB respectively.

### Quorum

A meeting of the ISC shall only be quorate when:

- i. At least 4 members are present, and
- ii. At least 3 of the members present are Essex County Council members.

# Essex Pension Fund

## Governance Policy and Compliance Statement

### Term of Office

The Term of Office may be extended by up to six months if considered necessary for the purpose for the appointment process, for example, due to the timing of local authority elections, with the agreement of the Director for Essex Pension Fund.

Any ISC Member may be re-appointed for further terms following the appropriate appointment process.

A Member may resign by giving notice to the Director for Essex Pension Fund and shall cease to be qualified to be a member of the ISC if they cease to hold the office or employment which qualifies them for the role.

### Role and Function

- i. to approve and review the asset allocation benchmark for the Fund;
- ii. to determine, review and monitor the Fund's aims, objectives, policies, strategies and procedures relating to investment of the Fund's assets including the Investment Strategy Statement and environmental, social and governance matters;
- iii. to appoint and terminate Investment Managers (in relation to non-pooled assets), Custodians and Advisers to the Fund solely relating to investment matters;
- iv. In relation to the LGPS ACCESS Pension Fund Pool;
  - a. to consider pooling matters including recommendations by the ACCESS Joint Committee;
  - b. to determine the transition of the assets held by the Fund in relation to the Pool and the funds or sub-funds operated by the Operator;
  - c. to appoint the elected Councillor for Essex County Council (ISC Chairman) to the Joint Committee as and when required with the ISC Vice Chairman able to deputise in their absence;
  - d. to advise the representative on the Joint Committee on such matters as may be required;
  - e. to monitor the performance of the LGPS ACCESS Pool and its Operator and recommending actions to the ACCESS Joint Committee or ASU, as appropriate;
  - f. to receive and consider reports from the LGPS ACCESS Joint Committee and the Operator;
  - g. to undertake any other decisions or matters relating to the operation or management of the LGPS ACCESS Pool as may be required.
- v. to assess the quality and performance of each Investment Manager and the relevant ACCESS Operator annually in conjunction with the Fund Investment Advisers and the Section 151 Officer;

# Essex Pension Fund

## Governance Policy and Compliance Statement

- vi. to monitor compliance of the investment arrangements with the Investment Strategy Statement;
- vii. to monitor and review the Fund's compliance with the LGPS Scheme Advisory Board adopted Code of Transparency and UK Stewardship Code;
- viii. to assess the risks assumed by the Fund at a global level as well as on a manager by manager basis;
- ix. to approve and to review annually the content of the Pension Fund Treasury Management Strategy; and
- x. to submit quarterly reports on its activities to the PSB.

### Essex Pension Fund Advisory Board (Local Pensions Board)

#### Membership

The Essex Pension Fund Advisory Board (PAB) shall consist of 9 Members and be constituted as follows:

Members	How Nominated or Appointed
4 Employer made up of one from each of the following groups of Employers in the Fund:	Essex County Council (an elected Member)
	the District, City and Borough Councils of Essex (an elected Member)
	Southend-on-Sea and Thurrock Unitary Authorities (an elected Member)
	all other Employers
4 Scheme Member representatives of which:	one will be nominated by the trade unions
	the rest will be drawn from the total Fund's active, deferred and pensioner membership
1 Independent Chairman	through appointment process

# Essex Pension Fund

## Governance Policy and Compliance Statement

### Quorum

A meeting of the PAB shall only be quorate when:

- i. 4 Members are present including at least the Chairman or Vice-Chairman, 1 Employer representative and 1 Scheme Member representative.

A meeting that is (or becomes at any point) inquorate will only continue if the Chairman (or Vice-Chairman) decides it should and in relation to items of business as agreed by the Chairman (or Vice-Chairman).

### Term of Office

- a. Employer representative appointments will expire after a period of four years from the date of establishment of the PAB or the date of their appointment if later. This period may be extended to up to six years if agreed by the Director for Essex Pension Fund. It will automatically cease if the individual is no longer in the employment of that Employer, no longer holds office in relation to that Employer or is no longer an elected member of that Employer, as appropriate.
- b. Scheme Member representative appointments will expire after a period of four years from the date of establishment of the PAB or the date of their individual appointment if later. This period may be extended to up to six years if agreed by the Director for Essex Pension Fund. It will automatically cease if the individual is no longer a trade union representative or representative of Fund members (in accordance with the criteria set by the Appointments Panel).
- c. The Independent Chairman's appointment will expire after a period of four years from the date of establishment of the PAB or the date of their individual appointment if later. This period may be extended to up to six years if agreed by the Appointments Panel.
- d. Any Board member, including the Independent Chairman, may be re-appointed for further terms following an appointment process.

### Role and Function (Remit)

The Board:

- a. shall assist the Scheme Manager with such matters as the LGPS regulations and guidance may specify;
- b. shall be a "critical friend" to the PSB and the ISC;
- c. may provide oversight of decisions made by the PSB and ISC to ensure that due process has been followed;

# Essex Pension Fund

## Governance Policy and Compliance Statement

- d. may review any decision made by or on behalf of the Scheme Manager or any action taken by the Scheme Manager;
- e. shall comment on and assist in identifying and managing breaches of the law in relation to Fund matters;
- f. at the invitation of the PSB, may also undertake other tasks, including (but not limited to):
  - 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) ;
  - reviewing administration standards or performance or review efficacy of Fund member and employer communications;
  - reviewing published policies to ensure they remain fit for purpose and are complete;
  - reviewing Fund annual reports;
  - being part of any consultation process with the purpose of adding value to that process based on, for example, their representation of employers and Fund members; and
  - discussing strategic matters such as communications where requested by the PSB.
- g. shall provide such information as is requested to other bodies including but not limited to the LGPS Scheme Advisory Board and The Pensions Regulator (TPR) and provide an annual report of the work of the Board to the Scheme Manager;
- h. will prepare a record of each meeting which will normally be published no later than 12 working days following the meeting using the appropriate systems of the Scheme Manager; and
- i. must provide a record of each meeting to the following PSB meeting and may make reports and recommendations to the PSB insofar as they relate to the role of the Board (see “Reporting and Escalation within the full Terms of Reference”).

The Board is not a decision-making body in relation to the management of the EPF but makes recommendations to assist in such management. The Fund’s management powers and responsibilities which have been, and may be, delegated by the Council to committees, sub-committees and officers of the Council, remain solely the powers and responsibilities of those committees, sub-committees and officers. The Board operates independently of the PSB.



# Essex Pension Fund

## Governance Policy and Compliance Statement

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### Delegations to Senior Officers

#### To the Director, Essex Pension Fund:

- i. To be responsible for the day to day operational management of Fund matters including ensuring arrangements for investment of assets and administration of contributions and benefits, excluding matters delegated to the PSB or ISC;
- ii. To agree the terms and payment of bulk transfers to and from the Fund;
- iii. To decide any other Fund related urgent matter, that might otherwise be considered by the PSB or ISC, after consultation with the Chairman of the PSB.

Note: The Director, Essex Pension Fund is not empowered to change the managers of the Fund.

#### Executive Director, Finance and Technology (S151 Officer):

To be responsible for providing advice and proposing recommendations to the PSB, ISC and the Director, Essex Pension Fund, and to appoint Essex County Council's officers to the ACCESS Officer Working Group as and when required.

Note: The Executive Director, Finance and Technology is not empowered to change the managers of the Fund or, unless the Chief Executive agrees.

#### Director, Legal and Assurance:

To discharge the functions of the Council with respect to the pension's complaints procedure.

#### Responsibilities of other relevant parties:

The responsibilities of other relevant parties are set out in Annex B.

# Essex Pension Fund

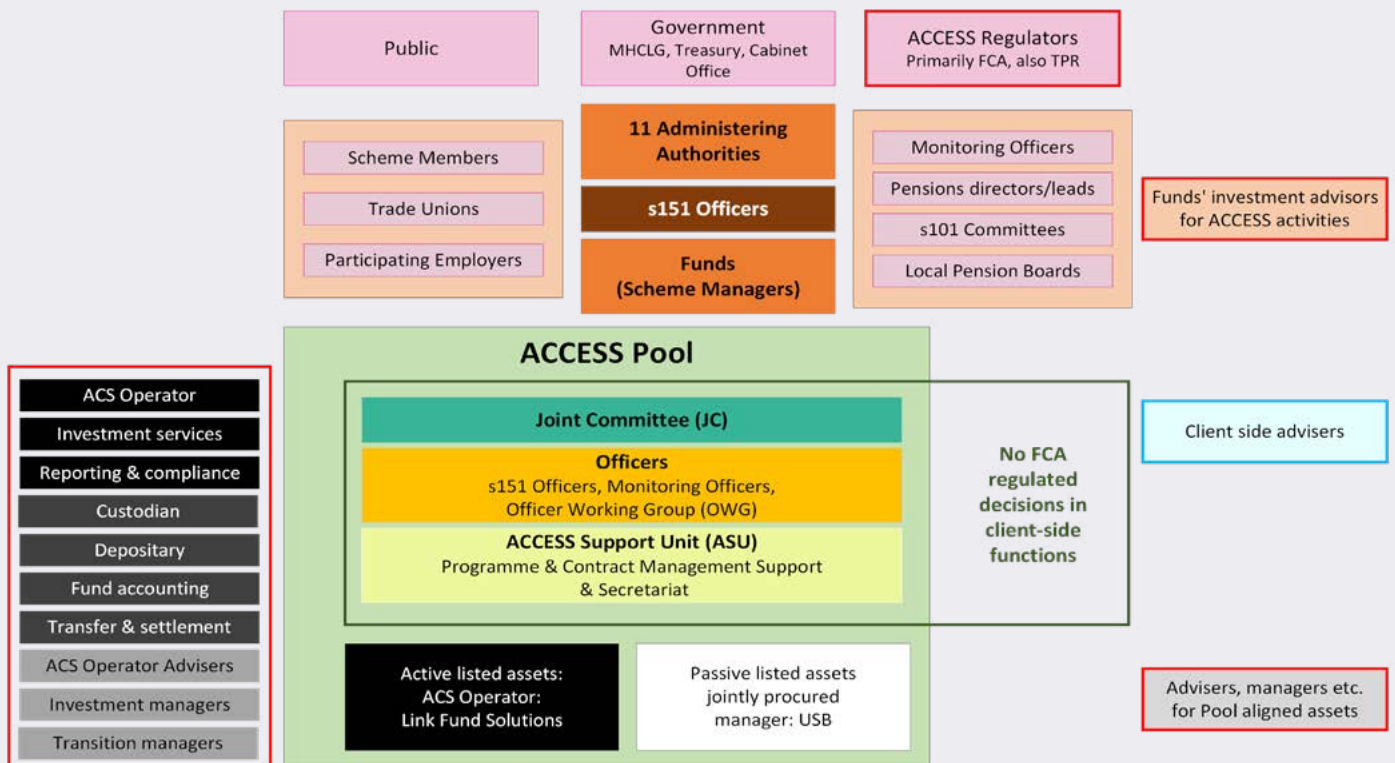
## Governance Policy and Compliance Statement

### ACCESS Joint Committee

- The ACCESS<sup>1</sup> 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

The Joint Committee within the ACCESS pool is made up of the 11 Chairs 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 (ASU)<sup>2</sup>, providing business support functions.

The following diagram details the structure:



<sup>1</sup>A collaboration of central, eastern and southern shires, formed by 11 LGPS Funds, in response to the Government's investment reform criteria. <sup>2</sup>Employees of any Council employed at the request of the Joint Committee wholly or mainly for the purposes of implementing the 'agreement' of the Pool.

# Essex Pension Fund

## Governance Policy and Compliance Statement

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The functions that have been delegated to the ACCESS Joint Committee are as follows:

### Operating the Pool and taking Advice:

- i. The Joint Committee shall consult with and consider the advice of the Section 151 Officers Group (and, where requested, the Monitoring Officers and from appropriate professional advisers) in discharging its functions, recording, if appropriate, where such advice is not followed and the rationale for not doing so. It may decide to procure such professional advisers on such terms as it thinks fit. Accordingly, any procurement of advisers must comply with the constitution of the Council designated to undertake the procurement and that Council will enter into a contract with the appointed adviser on behalf of the Councils.
- ii. The Joint Committee shall decide which functions shall be performed by the ASU.
- iii. The Joint Committee shall at all times have regard to the principles set out in Schedule 1.

### Functions in relation to the Operator(s)<sup>3</sup>:

- i. Specifying Operator services: deciding, in consultation with the Councils, the specification of Services and functions that each 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 an Operator: agreeing the method and process for the procurement and selection of one or more Operators;
- iii. Appointing an Operator: making a recommendation to the Councils as to the identity of each Operator and the terms upon which each Operator is to be appointed;
- iv. Reviewing the Performance of an Operator: keeping the performance of each Operator under review and making arrangements to ensure that the Joint Committee is provided with regular and sufficient reports from the ASU to enable it to do so including but not limited to:
  - a. the performance of an Operator against its contractual requirements and any other performance measures such as any Service Level Agreement (SLA) and key performance indicators (KPIs) and officer 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(s): The Joint Committee shall:

<sup>3</sup>The person appointed by the Councils from time to time to provide the Services.

# Essex Pension Fund

## Governance Policy and Compliance Statement

- a. make recommendations to the Councils on the termination or extension of the Operator Agreement(s);
- b. make decisions about any other action to be taken to manage an Operator Agreement including the giving of any instruction or the making of any recommendation to the relevant Operator including but not restricted to recommendations on investment managers (within any regulatory constraints that may apply); and
- c. make recommendations to the Councils about appropriate arrangements to replace an Operator Agreement on its termination.

### Functions in relation to Management of Pool Assets:

- vi. The Joint Committee shall make recommendations to the Councils on the strategic plan for transition of assets that are to become Pool Assets.

- vii. The Joint Committee shall make recommendations to the Councils about Pool Aligned Assets in accordance with this Agreement or any other delegation to the Joint Committee by the Councils.
- viii. Specifying services of Pool Aligned Assets Provider(s): deciding, in consultation with the Councils, the specification of Services which any Pool Aligned Assets Provider will be required to deliver including the sub-funds and classes of investments required to enable each Council to execute its investment strategy.
- ix. Procuring a Pool Aligned Assets Provider: agreeing the method and process for the procurement and selection of one or more Pool Aligned Assets Providers.
- x. Appointing Pool Aligned Assets Providers: making a recommendation to the Councils as to the identity of each Pool Aligned Assets Provider and the terms upon which each Pool Aligned Assets Provider is to be appointed.
- xi. Reviewing the Performance of a Pool Aligned Assets Provider: keeping the performance of each Pool Aligned Assets Provider under review and making arrangements to ensure that the Joint Committee is provided with regular and sufficient reports from the ASU to enable it to do so including but not limited to:
  - a. the performance of a Pool Aligned Assets Provider against its contractual requirements and any other performance measures such as any Service Level Agreement (“**SLA**”) and key performance indicators (“**KPIs**”) and officer recommendations on any remedial action;
  - b. investment performance of the Pool Aligned Assets Vehicle(s) or sub-funds, as appropriate;

# Essex Pension Fund

## Governance Policy and Compliance Statement

- c. investment and operational costs including the annual review of investment manager costs;
- d. performance against the strategic business plan agreed by the Councils.

### Functions concerning Business Planning and Budget:

- xii. Having taken into account of any advice from the Section 151 Officers Group (or, where relevant, recording the rationale for not following such advice), the Joint Committee shall:
  - a. make recommendations to the Councils about the annual strategic business plan for the Pool;
  - b. 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;
  - c. keep the structures created by the Agreement under review from time to time and make recommendations to the Councils about:
    - i. the future of the Pool;
    - ii. any changes to this Agreement; and
    - iii. 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.

### Functions concerning communications:

- xiii. The Joint Committee may agree a protocol for communications in respect of the Pool with third parties, including the LGPS Scheme Advisory Board, other LGPS Administering Authorities, press and relevant Government departments.

### Review of this Agreement:

- xiv. The Joint Committee is required to undertake a review of this Agreement:
  - a. to be completed 18 months before the expiry of each and every Operator Agreement, including as a result of the exercise of any option to terminate an Operator Agreement;
  - b. whenever a Council gives notice of withdrawal under clause 12 of this agreement; or
  - c. at such times as a Council may request under clause 11 (*Variation of this Agreement*).

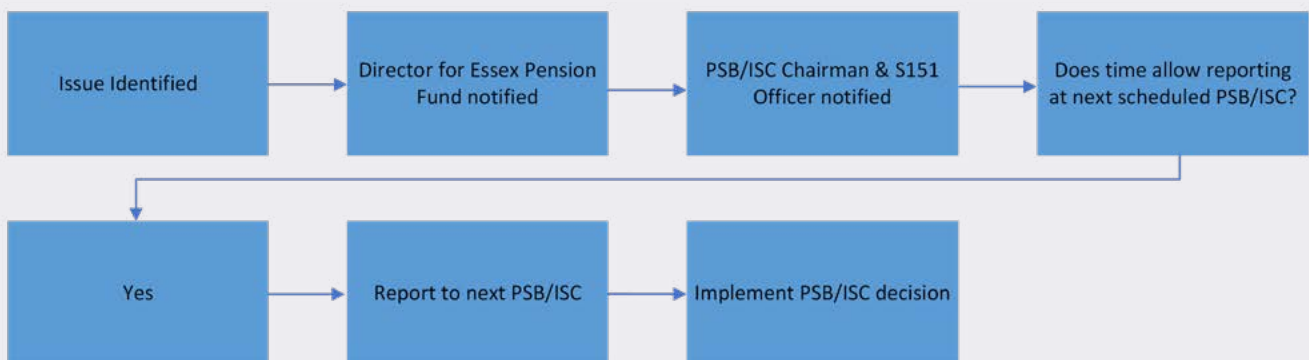
# Essex Pension Fund

## Governance Policy and Compliance Statement

### The Fund's decision-making process

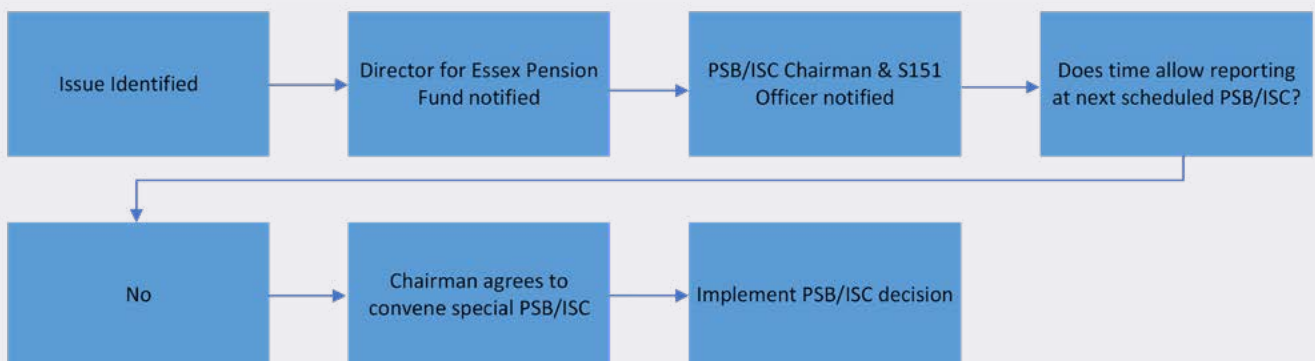
The majority of decisions required to be made by the PSB or ISC are tabled sufficiently in advance to allow members to receive appropriate briefings and make the decision within the normal meeting cycle.

Therefore, the following process is 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 PSB or ISC can respond to urgent matters by taking decisions promptly outside of the normal meeting cycle. On such occasions the following processes may be adopted.

The process to be used when the Chairman agrees to convene a special PSB / ISC meeting:

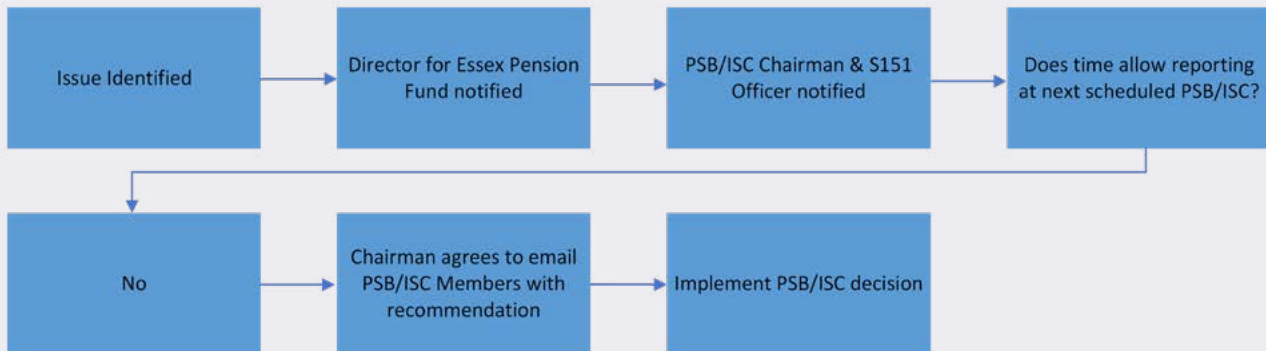




# Essex Pension Fund

## Governance Policy and Compliance Statement

The process when there is neither the time for the next scheduled meeting or to convene a special PSB / ISC meeting and the Chairman agrees to email PSB / ISC members with the recommendation:



### Training

Essex County Council recognises that effective management, administration and decision making can only be achieved where those involved have the requisite knowledge and skills. Accordingly, PSB, ISC and PAB Members, Scheme Member and Employer representatives are expected to maintain an appropriate level of knowledge and skills to perform their role effectively, and to meet the requirements of overriding legislation, statutory and professional guidance.

All Board/Committee Members will receive appropriate training to fill any knowledge gaps identified and must seek to maintain their knowledge.

The Fund fully supports the use of the CIPFA Code of Practice on LGPS Knowledge and Skills, and its associated Frameworks, and TPR's Code of Practice, as well as understanding the need for appropriate knowledge and skills to allow professional status to be awarded for MiFID II purposes. The Fund adopts the principles and requirements of these and the Fund will strive to achieve those through the use of a two-year rolling Training Plan together with regular monitoring and reporting.

The Fund's Knowledge and Skills Strategy can be found on the Fund's website: [www.essexpensionfund.co.uk/resources](http://www.essexpensionfund.co.uk/resources).

In addition, in accordance with the ACCESS Inter-Authority Agreement, the ACCESS Joint Committee is required to ensure that Members appointed to the Joint Committee undertake training to acquire and maintain knowledge and skills relevant to the performance of their duties.

# Essex Pension Fund

## Governance Policy and Compliance Statement

### Conflicts of Interest

Conflicts of interest have always existed for those with LGPS Administering Authority responsibilities as well as for advisers to LGPS funds. This simply reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example as a member of the Scheme, as an elected member of an Employer participating in the LGPS or as an Adviser to more than one LGPS Administering Authority. Further any of those persons may have an individual personal, business or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.

It is generally accepted that LGPS Administering Authorities have both fiduciary and public law duties to act in the best interest of both the Scheme beneficiaries and participating Employers. This, however, does not preclude those involved in the management of the Fund from having other roles or responsibilities which may result in an actual or potential conflict of interest. Accordingly, it is good practice to document within a policy how any such conflicts or potential conflicts are to be managed.

The Fund's Conflict of Interest Policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Fund whether directly or in an advisory capacity. The Policy is established to guide the PSB Members, ISC Members, PAB Members, Officers and Advisers. It aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund otherwise.

The Policy can be found on the Fund's website: [www.essexpensionfund.co.uk/resources](http://www.essexpensionfund.co.uk/resources).

### Monitoring Governance of the Essex Pension Fund

The Fund's governance objectives will be monitored on a regular basis. Specific measures and targets are agreed by the PSB and contained in the Fund's Business Plan and Scorecard which is regularly reported to the PSB and PAB.

### Key Risks

The key risks to the delivery of this Policy are contained within the Fund's Risk Register which can be found on the [essexpensionfund.co.uk](http://essexpensionfund.co.uk) website along with the Fund's approach to Risk Management which is documented within the Fund's Risk Strategy.

# Essex Pension Fund

## Governance Policy and Compliance Statement

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### Best Practice Compliance Statement

As required by LGPS Regulations the statement in Annex A compares the Fund's current governance arrangements with the best practice guidance issued by the Secretary of State for Housing, Communities and Local Government. As can be seen, the Fund is fully compliant with all requirements.

### Approval

The governance arrangements of the Fund were reviewed in 2019 following consultation with the PSB, ISC and PAB. This version of the Governance Policy and Compliance Statement was approved at the PSB on 17 March 2021. It will be formally reviewed and updated at least every three years or sooner if the governance arrangements or other matters included within it merit reconsideration.

### Further Information

If you require further information about anything in or related to this Governance Policy and Compliance Statement, please contact:

Amanda Crawford, Head of Compliance & Governance, Essex Pension Fund  
Email - [Amanda.Crawford@essex.gov.uk](mailto:Amanda.Crawford@essex.gov.uk)

Jody Evans, Interim Director for Essex Pension Fund  
Email - [Jody.Evans@essex.gov.uk](mailto:Jody.Evans@essex.gov.uk)

Essex Pension Fund  
Seax House  
County Hall  
Chelmsford  
Essex  
CM1 1QH

### Governance and Compliance Statement: Section 101 Committees

As can be seen from the table below, 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 Government<sup>4</sup> (issued in 2008):

Description of Principle	Essex Pension Fund's Position	Level of Compliance
<b>A - Structure</b>		
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	<p>The PSB was established as the Essex Pension Fund Board in 2008, changing its name on 1 April 2015 following the formation of the PAB. Its Terms of Reference is reviewed on an annual basis. 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 determining, reviewing and monitoring the Fund's aims and objectives relating to funding, investments, administration, communications and governance strategies, ensuring the proper administration of the Fund including compliance with legislation, and agreeing the Fund's business plans and financial statements.</p>	Fully compliant
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	<p>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>	Fully compliant

<b>Description of Principle</b>	<b>Essex Pension Fund's Position</b>	<b>Level of Compliance</b>
<p>c. That where a secondary committee or panel has been established, the structure ensures effective communication across both levels</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. This includes determining, reviewing and monitoring the aims and objectives of the investment strategy such as deciding asset allocation, and assessing the quality and performance of each Investment Manager and the ACCESS Operator. A report on the business of the ISC is put to every PSB.</p>	<p>Fully compliant</p>
<p>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>	<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 (non-voting Member).</p>	<p>Fully compliant</p>

Description of Principle	Essex Pension Fund's Position	Level of Compliance
<b>B - Representation</b>		
<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"> <li>i. employing authorities (including non-scheme employers, e.g. admitted bodies);</li> <li>ii. scheme members (including deferred and pensioner scheme members);</li> <li>iii. independent professional observers;</li> <li>iv. expert advisers (on an ad hoc basis).</li> </ul>	<p>The Terms of Reference of both the PSB and the ISC set out the representation on including how they are appointed and the Term of Office. This representation covers all types of Scheme Employer as well as Scheme Members as follows:</p> <ul style="list-style-type: none"> <li>• 1 Member Councillor representing Borough, City and District Council in Essex;</li> <li>• 1 Member Councillor representing Southend on Sea and Thurrock Unitary Councils;</li> <li>• 1 Member representing other Employing Bodies (which includes admitted bodies); and</li> <li>• 1 Member representing Scheme Members.</li> </ul> <p>In addition, the PSB has appointed an Independent Governance and Administration Adviser to assist the PSB and its Officers.</p> <p>Other Advisers and experts, such as the Fund Actuary, regularly attend PSB meetings.</p>	Fully compliant
<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>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>	Fully compliant



## Governance Policy and Compliance Statement

Description of Principle	Essex Pension Fund's Position	Level of Compliance
<b>C - Selection and Role of Lay Members</b>		
<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. These are reviewed on an annual basis and are shared with all PSB and ISC Members at the first meeting of the municipal year.</p> <p>The role of Members is covered by their induction and ongoing training.</p>	Fully compliant
<p>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</p>	<p>Declaration of Interests is a standard agenda item at all PSB and ISC meetings. In addition, the Fund has its own Conflicts of Interest Policy that explains the process that all PSB and ISC Members must follow to manage any potential or actual conflicts of interest.</p>	Fully compliant
<b>D - Voting</b>		
<p>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>	<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>	Fully compliant

## Governance Policy and Compliance Statement

Description of Principle	Essex Pension Fund's Position	Level of Compliance
<b>E - Training / Facility Time / Expenses</b>		
<p>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</p>	<p>The Fund has put in place a comprehensive Knowledge and Skills Strategy, which fully supports the use of the CIPFA Code of Practice on LGPS Knowledge and Skills, and its associated Frameworks, and TPR's Code of Practice, as well as understanding the need for appropriate knowledge and skills to allow professional status to be awarded for MiFID II purposes.</p> <p>The Knowledge and Skills 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 two-year rolling Training 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>All costs associated with the attendance of training/conferences away from County Hall for all Board/Committee Members that are relevant and within the Knowledge and Skills Strategy are met by the Fund. Participating Employers are also encouraged to allow facilities' time where relevant.</p>	<p>Fully compliant</p>

## Governance Policy and Compliance Statement

Description of Principle	Essex Pension Fund's Position	Level of Compliance
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	The document sets out the Knowledge and Skills Strategy agreed by the PSB concerning the training and development of, and applied equally to, all the Members of the PSB and the ISC.	Fully compliant
c. That the Administering Authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken	A log of attendance at all training events is maintained by the Administering Authority and a Training Plan is agreed as part of the Fund's Business Plan each year and updated throughout the year as necessary.	Fully compliant
<b>F - Meetings - Frequency</b>		
a. That an Administering Authority's main committee or committees meet at least quarterly	As part of normal practice, the PSB meet a minimum of four times a year in accordance with their Terms of Reference	Fully compliant
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	The ISC meet a minimum of four times a year. Meetings of both the PSB and ISC are arranged so that quarterly reports are presented to the PSB at each meeting.	Fully compliant
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		Not applicable

# Essex Pension Fund

## Governance Policy and Compliance Statement

# Annex A

Description of Principle	Essex Pension Fund's Position	Level of Compliance
<b>G - Access</b>		
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	All Members of the PSB and ISC are provided the same documentation and reports which ensures equal access. In addition, all documentation is provided to the PAB.	Fully compliant
<b>H - Scope</b>		
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 determining, reviewing and monitoring the Fund's aims, objectives, policies, strategies, compliance statements and procedures for the overall management of the Fund including Governance, Funding, Investments, Administration and Communications.	Fully compliant
<b>I - Publicity</b>		
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 Governance Policy and Compliance Statement as well as additional detail being included within the Fund's Annual Report, both of which are available on the Fund's website <a href="http://www.essexpensionfund.co.uk">www.essexpensionfund.co.uk</a> . All non-exempt reports of the PSB and ISC are also available on Essex County Council's website - <a href="http://www.cmis.essex.gov.uk/essexcmis5/Committees.aspx">www.cmis.essex.gov.uk/essexcmis5/Committees.aspx</a> . All other Policies and Strategies are available on the website.	Fully compliant

## Responsibilities of other relevant parties

### Audit Responsibilities

The Fund is subject to review by both the County Council's External Auditors BDO LLP 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 S151 Officer that the following areas have sound systems on internal control in place:

- administering of the pension fund;
- making pension payroll payments;
- funding;
- investments; and
- the fund's overarching governance and decision-making processes.

### External Advisers

#### i. Independent Governance and Administration Adviser

- To prepare for, attend and participate in, meetings of the PSB, PAB and other meetings with Board Members and Fund Officers.
- To provide guidance on the proper governance and administration of the Fund.
- To provide advice on best practice and compliance with requirements under relevant guidance, legislation and regulations.
- To prepare and deliver training and/or presentations to various forums.
- To assist Fund Officers in the development of governance and administration systems.
- To provide the tools required to facilitate good governance subject to further agreement where required.
- To review in house administration systems where required.
- To provide advice on technical aspects of the LGPS where required.
- To liaise with other professionals (actuary, legal advisers etc.) where required.
- To understand the implications of the LGPS Asset Pooling agenda.

#### ii. Fund Actuary

- To carry out triennial valuations of the Fund.
- To carry out interim reviews of the Fund.
- To provide actuarial support on outsourcings, insourcings and statutory transfers and the winding up of admitted bodies.
- To produce the information required to enable the employing bodies in the Fund to meet their obligations under IAS19.
- To provide ad hoc actuarial work.
- To monitor AVC arrangements.
- To provide advice on the effects of changes in legislation and developments in the pension field.
- To assist the Fund in the assessment, monitoring and strengthening of employer covenant and risk profile.



### iii. Institutional Consultant Advisers:

- 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, Investment Strategy Statement and Funding Strategy Statement.

### iv. Independent Investment Adviser

- To assist in the determination, preparation and writing where appropriate of agendas, papers and presentations for the meetings of the ISC and Officer and Adviser (O&A) meetings.
- To identify investment issues of strategic importance to the Fund and arrange for their consideration by the ISC e.g. asset allocation, investment, management structure.
- To keep under review the individual investment managers and where necessary put forward proposals for their management, including where appropriate their dismissal.
- To prepare commentary on investment managers performance to be included within the Investment Tables report presented to the ISC.
- To actively assist and prepare reports to enable the Fund to become a signatory to the Financial Reporting Council's 2020 Stewardship Code by March 2022.
- To actively assist in the development and review of the Fund's Engagement Plan relating to investment managers Responsible Investment and Good Stewardship.
- To actively assist and participate with the Fund when requested, in manager searches and other Fund procurement exercises.

- To assist the ISC in keeping under review its Investment Strategy Statement (including the Fund's Responsible Investment Policy), Funding Strategy Statement and the Asset Liability Study work thereafter.
- When requested by the Fund Officers, attend and participate in monitoring, reviewing and briefing meetings arranged with Investment Managers, limited partners etc. provide briefing note of the meetings for the ISC as and when required.
- To produce and present bite size investment training and thought pieces as and when appropriate.
- To assist in the research, preparation and writing of specific one-off investment related projects as and when required.
- The provision of an annual report detailing the work undertaken for the year by the Independent Investment Adviser.
- Establish a set of mutually agreeable objectives which will be measured on an annual basis.
- To actively participate in all ISC, O&A and training sessions.

Essex Pension Fund

# Essex Pension Fund Advisory Board (PAB) Annual Report

July 2023



# Essex Pension Fund Advisory Board

## Annual Report 2022/23

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### Introduction

This is the eighth Annual Report of the Essex Pension Fund Advisory Board, covering the period from 01 April 2022 until 31 March 2023.

### Role and Functions

The Essex Pension Fund Advisory Board (PAB) has been established as the Local Pensions Board for Essex in accordance with section 5 of the Public Service Pension Act 2013 and Part 3 of the Local Government Pension Scheme (LGPS) Regulations 2013 (regulations 106 to 109).

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; and
- to secure compliance with requirements imposed in relation to the LGPS by The Pensions Regulator (TPR).

The establishment of the PAB was approved by Essex County Council (ECC) in February 2015 with the following membership:

- four Employer representatives made up of ECC (1), Borough/City/District (1), Unitary (1), Other Employing Bodies (1);
- four Scheme Member representatives of which one has been nominated by the trade unions and the rest drawn from the total scheme membership;
- one Independent non-voting Chairman.

A web link to the papers detailing the establishment of the PAB can be found within the 04 March 2015 Essex Pension Fund Strategy Board (PSB) Meeting [Documents](#).

The PAB's full Terms of Reference (TOR's) is reviewed periodically as part of the Governance and Compliance Statement and was last reviewed by the PSB at their meeting in December 2022. The TOR's can be found within the [ECC Constitution](#).

The PAB met four times during the period covered by this report: on 06 July 2022; 21 September 2022; 07 December 2022; and 22 March 2023.

In addition to these meetings, PAB Members were invited to attend as Observers at:

- four meetings of the PSB (the Fund's s101 Committee) which took place in the mornings on: 06 July 2022; 21 September 2022; 07 December 2022; and 22 March 2023; and
- four meetings of the Investment Steering Committee (ISC) (the Fund's s101 subcommittee) which took place on: 15 June 2022; 12 October 2022; 30 November 2022; and 22 February 2023.

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

### Membership

During the period covered by this report the PAB had nine Members. They represented Employer and Scheme Member Representatives and an Independent Chairman.

The membership of the PAB as at 31 March 2023 was as follows:

Independent Chairman (1)	
Nicola Mark	Independent Chairman
Scheme Member Representatives (4)	
Andrew Coburn	Pensioner, Ex County Council, UNISON (Vice Chairman)
Debs Hurst	Active Member, Chelmsford College
Stuart Roberts	Active Member, Chenfield High Academy
Christopher Downes	Essex County Council
Employer Representation (4)	
James Durrant	Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (PFCC FRA)
Councillor L Barber	Essex County Council
Councillor Martin Bracken	Chelmsford City Council
Councillor J Duffin (up to 08 September 2022) Councillor G Snell (from 25 January 2023)	Thurrock Unitary Council

#### Attendance

Attendance at PAB meetings during 2022/23 was 79% against a target of 80%.

### 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 is 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.

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

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The Essex Pension Fund (“the Fund”) follows the Fund’s Conflict of Interest Policy in addition to ECC’s Code of Conduct for the management of potential conflicts in order to ensure that they do not become actual conflicts. All Members of the PAB are familiar with these policies.

In addition, declarations of interest are 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 2013<sup>1</sup> requires that members of Local Pensions Boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a Local Pensions Board must be conversant with:

- the regulations of the LGPS, 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.

Questionnaires and one to one meetings are carried out with all new PAB Members. Training Needs Analysis (TNA) are carried out with all the new PAB Member representatives, within six months of joining the Board. Local Pensions 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 Pensions Board Members is appropriate for the purposes of enabling the individual to properly exercise the functions of a Member of the Local Pensions Board.

### Degree of Knowledge and Understanding

Members of the Local Pensions 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 PAB 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 TPR; and
- any failure to meet the standards and expectations set out in any relevant [code of practice](#) issued by TPR.

<sup>1</sup> The Public Service Pensions Act 2013 made amendments to the Pensions Act 2004 (see s248A)



# Essex Pension Fund Advisory Board

## Annual Report 2022/23

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### 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 Pensions Board Members and the Scheme Manager;
- Policies in relation to the exercise of discretions;
- Communications with Scheme Members and Employers; and
- Key policy documents on administration, funding and investment.

### Support from Fund Officers - Knowledge and Skills Strategy

PSB, ISC and PAB Members, including Scheme Member and Employer representatives are expected to maintain an appropriate level of knowledge and skills to perform their role effectively, and to meet the requirements of overriding legislation, statutory and professional guidance.

All Board/Committee Members receive appropriate training to fill any knowledge gaps identified and must seek to maintain their knowledge.

The Fund fully supports the use of the CIPFA Code of Practice on LGPS Knowledge and Skills, and its associated Frameworks, TPR's Code of Practice, as well as understanding the need for appropriate knowledge and skills to allow professional status to be awarded for MiFID II purposes. The Fund adopts the principles and requirements of these, and strives to achieve those through the use of a two-year rolling Training Plan together with regular monitoring and reporting.

In addition, the PSB endorsed the utilisation of the LGPS Online Learning Academy (LOLA) which went live on 10 December 2021 to support the completion of the two-year Training Plan.

The approach of the Knowledge and Skills Strategy is summarised below:

- Training credits are awarded to each PAB Member where training events (approved / recommended by the Fund) have been undertaken either in person or by virtual means;
- PAB Members are expected to complete relevant CIPFA and TPR modules applicable to their role utilising LOLA;
- A Training Needs Analysis is undertaken once every two-years to determine areas for further training and is reviewed periodically;
- The approach to training is flexible, in order to recognise the ever-changing landscape of the LGPS; and
- Training is delivered in a way that complements the activities set out in the Fund's Three-Year Business Plan.

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

This year the PAB has covered the following topics, of which appropriate training was provided within formal PAB meetings:

Date of meeting	Topics Covered
<p style="text-align: center;"><b>06 July 2022</b></p>	PAB Terms of Reference
	PAB Annual Report
	PSB Update covering: <ul style="list-style-type: none"> <li>• PSB Terms of Reference;</li> <li>• PSB Annual Report to Full Council;</li> <li>• Update on Pension Fund Activity (Business Plan, Scorecard and Risk Management);</li> <li>• The work of Internal Audit in relation to the Fund;</li> <li>• Essex Pension Fund Draft Accounts;</li> <li>• The work of External Audit in relation to the Fund;</li> <li>• ISC Quarterly Update Report;</li> <li>• PAB Quarterly Update and Annual Reports;</li> <li>• Pre 2022 Valuation Training;</li> <li>• Training Plans update;</li> <li>• Employer Update;</li> <li>• Multi Academy Trust (MAT) Liability Transfer; and</li> <li>• Pooling update.</li> </ul>
	PAB Annual Workplan
	PAB Pamphlet
	Fund Surveys
<p style="text-align: center;"><b>21 September 2022</b></p>	PSB Update covering: <ul style="list-style-type: none"> <li>• Actuarial Valuation Update;</li> <li>• Draft Funding Strategy Statement (FSS);</li> <li>• Essex Pension Fund Term of Reference;</li> <li>• Update on Pension Fund Activity (Business Plan, Budget, Scorecard and Risk Management);</li> <li>• Essex Pension Fund Draft Accounts;</li> <li>• PAB Quarterly Update report;</li> <li>• Role of the PAB (PAB Pamphlet);</li> <li>• Fund Surveys;</li> <li>• PAB Scheme Member and Employer Representation; update; and</li> <li>• Employer update.</li> </ul>
	PAB Annual Workplan
	Essex Pension Fund Communications Policy

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

Date of meeting	Topics Covered
<p><b>07 December 2022</b></p>	<p>PSB Update covering:</p> <ul style="list-style-type: none"> <li>• Essex Pension Fund Management Structure Review;</li> <li>• Essex Pension Fund Terms of References (TOR);</li> <li>• Valuation Update;</li> <li>• External Audit in relation to the Fund;</li> <li>• Pension Fund Activity (Business Plan, Budget, Scorecard and Risk Management);</li> <li>• ISC Quarterly Update Report;</li> <li>• PAB Quarterly Update Report;</li> <li>• Essex Pension Fund Policies and Publications;               <ul style="list-style-type: none"> <li>◊ Communications Policy;</li> <li>◊ Conflicts of Interest Policy; and</li> <li>◊ Administering Authority Discretions;</li> </ul> </li> <li>• Training Plans update;</li> <li>• Employer Update;</li> <li>• Employer Risk Review; and</li> <li>• Pooling Update.</li> </ul>
	<p>PAB Annual Workplan</p>
	<p>Recording and reporting Breaches of the Law</p>
	<p>TPR (The Pension Regulators) Code of Practice 14</p>
	<p>Feedback from the AJC Meeting</p>
<p><b>22 March 2023</b></p>	<p>PSB Update covering:</p> <ul style="list-style-type: none"> <li>• Update on Pension Fund Activity (Business Plan, Budget, Scorecard and Risk Management);</li> <li>• Essex Pension Fund Policies and Publications:               <ul style="list-style-type: none"> <li>◊ Three-year Business Plan and 2023/24 Budget; and</li> <li>◊ PSB and ISC Pamphlets;</li> </ul> </li> <li>• ISC Quarterly Update Report;</li> <li>• PAB Quarterly Update Report;</li> <li>• PAB Scheme Member and Employer Representation;</li> <li>• EPF Consultation Responses;</li> <li>• Actuarial Valuation;</li> <li>• Essex Pension Fund Draft FSS;</li> <li>• Employer Cessation Approach;</li> <li>• Employer Update; and</li> <li>• Pooling Update.</li> </ul>
	<p>PAB Annual Workplan</p>
	<p>Feedback from the LGA Annual Governance Conference</p>

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

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### Additional Training Sessions

In addition, the opportunity has been made 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. A number of PAB Members also attended externally run events including:

- LGA Fundamentals Training Programme; and
- LGA Governance Conference.

In addition, Fund Officers hosted a Back to Basics Training Day for all Boards and Committee Members during January 2023 which covered:

- Management Structure of the Fund;
- Wider LGPS Outstanding Topics;
- Digital update;
- Training Plans and LOLA;
- Introduction to Investment Strategy;
- Fund Surveys;
- Freedom of Information Act;
- Fund Facts; and
- The history of the Fund's Actuarial Valuations.

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 Fund are made by the PSB and ISC which are delegated to carry out that function by ECC in its capacity as the Administering Authority for the 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:

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

Date	Area	Actions
All Meetings	Decisions of the PSB and the ISC	The PAB's meetings are based on the items considered at meetings of the PSB and the ISC.
06 July 2023	Appointment of Vice Chairman	<b>Resolved:</b> The Secretariat invited Board Members to make nominations for the appointment of the Vice Chairman. Following a show of hands, Andrew Coburn was re-appointed as Vice Chairman.
	Notes of the Previous Meeting	<b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.
	PAB Terms of Reference	<b>Resolved:</b> The Board noted the Terms of Reference as contained in the ECC Constitution.
	PAB Annual Report	<b>Action:</b> Fund Officers to amend dates within the report and to enquire with the SAB as to the analysis undertaken on Local Pensions Board Annual Reports and if the results are published/available.  <b>Resolved:</b> The Board noted the content of the PAB Annual Report for onward transition to the SAB and agreed for it be published within the Fund's Annual Report & Accounts.
	Essex Pension Fund Strategy Board (PSB) Update	<b>Actions:</b> Members to notify the Compliance Team if they wish to be the Fund's representative at the AJC on 12 September 2022.  Fund Officers to liaise with ACCESS Support Unit as to the draft TOR for ACCESS LPB Members attending the AJC.  <b>Resolved:</b> The Board noted the papers considered by the PSB.
	PAB Annual workplan	<b>Resolved:</b> The board noted the content of the progress report.

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

Date	Area	Actions
06 July 2022	PAB Pamphlet	<p><b>Actions:</b> Compliance Manager to invite PAB Elected Members to volunteer photograph and synopsis of their experience of being a PAB Member.</p> <p>Debs Hurst to arrange a video of her comments and send to the Compliance Manager.</p> <p>The Compliance Manager to add a web link and sentence to direct readers to more information regarding vacancies on the PAB can be found.</p> <p>Meeting of the Task and Finish Group (T&amp;FG) to be arranged to discuss the revised Pamphlet.</p> <p><b>Resolved:</b> The Board noted the content of the report.</p>
	Fund Surveys	<p><b>Action:</b> Fund Officers to issue reminders to Scheme Employers and/or highlight the survey if it is included within normal business as usual correspondence.</p> <p><b>Resolved:</b> The Board noted the presentation.</p>
	Papers provided to the Essex Pension Fund Advisory Board (PAB)	<p><b>Resolved:</b> The Board noted the content of the report.</p>
	Schedule of Future Meetings and Events	<p><b>Action:</b> Members to notify Compliance Manager if they wish to attend the Fundamentals Training Event.</p> <p>The Compliance Manager to review the Annual Governance Conference Agenda and if relevant forward on to PAB Members.</p> <p><b>Resolved:</b> The Board noted the content of the report.</p>



# Essex Pension Fund Advisory Board

## Annual Report 2022/23

Date	Area	Actions
06 July 2022	Any Other Business	<p><b>Action:</b> Members to confirm with the Compliance Manager if they will be attending further meetings face to face or via Zoom.</p> <p><b>Resolved:</b> The board noted the update.</p>
21 September 2022	Notes of the Previous meeting	<p><b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.</p>
	Essex Pension Fund Strategy Board (PSB) Update	<p><b>Action:</b> Fund officers to: Include a section on Fund Surveys at the Back to Basics Training Day;</p> <p>Continue investigation on Opt Outs and 50/50 options; and</p> <p>Issue a letter of thanks to Cllr Duffin for his service on the Board.</p> <p><b>Resolved:</b> The Board noted the papers reviewed by the PSB.</p>
	Essex Pension Fund Advisory Board (PAB) Annual Workplan	<p><b>Resolved:</b> The Board noted the content of the progress report.</p>
	Essex Pension Fund Communications Policy	<p><b>Action:</b> Fund officers to: Review the Communications Policy Training Video to explain deferred benefits and Internal Dispute Resolution Procedure (IDRP);</p> <p>Check and amend subtitles within the Training Video;</p> <p>Add a General Enquiries Telephone number on the last page of the Communications Policy;</p>

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

Date	Area	Actions
21 September 2022	Essex Pension Fund Communications Policy (continued)	<p>Add consultations to the Policy including those the Fund respond to and those the Fund consult on;</p> <p>To review the 'key messages' section in totality.</p> <p><b>Resolved:</b> The Board provided feedback for amendments to the EPF Communications Policy and Training Video. Fund Officers would review and submit a revised Policy and Training Video to the PSB at their next meeting for approval.</p>
	Feedback from the ACCESS Joint Committee Meeting	<p><b>Action:</b> Fund Officers to provide a protocol for Essex LPB (PAB) representatives when observing ACCESS Joint Committee meetings.</p> <p><b>Resolved:</b> The Board noted the update.</p>
	Papers provided to Essex Pension Fund Advisory Board (PAB)	<p><b>Resolved:</b> The Board noted the content of the report.</p>
	Schedule of Future Meetings and Events	<p><b>Resolved:</b> The Board noted the content of the report.</p>
07 December 2022	Notes of the Previous Meeting	<p><b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.</p>
	Essex Pension Fund Strategy Board (PSB) Update	<p><b>Action:</b> Fund Officers to develop a two-page document to promote the Fund's achievements in consultation with Employer Representative, James Durrant.</p> <p><b>Resolved:</b> The Board noted the papers reviewed and considered by the PSB.</p>

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

Date	Area	Actions
07 December 2022	Essex Pension Fund Advisory Board (PAB) Annual Workplan	<b>Resolved:</b> The Board noted the content of the progress report.
	Recording and Reporting Breaches of the Law	<b>Resolved:</b> The Board noted the content of the report.
	TPR Code of Practice 14 Compliance	<b>Resolved:</b> The Board noted the content of the report.
	Feedback from the ACCESS Joint Committee Meeting	<b>Resolved:</b> The Board noted the update.
	Papers provided to Essex Pension Fund Advisory Board (PAB).	<b>Resolved:</b> The Board noted the content of the report.
	Schedule of Future Meetings and events	<b>Resolved:</b> The Board noted the content of the report.
	Any Other Business	<b>Resolved:</b> The Board noted the areas of business raised by the PAB Chairman.
22 March 2023	Notes of the Previous Meeting	<b>Resolved:</b> The Board approved the Notes from the previous meeting and noted the updates provided.
	Essex Pension Fund Strategy Board (PSB) Update	<b>Resolved:</b> The Board noted the papers reviewed and considered by the PSB.
	PAB Annual Workplan	<b>Resolved:</b> The Board discussed and noted the content of the report.
	Feedback from the LGA Annual Governance Conference	<b>Resolved:</b> The Board noted the update.
	Papers provided to Essex Pension Fund Advisory Board (PAB)	<b>Resolved:</b> The Board noted the content of the report.
Schedule of Future Meetings and Events	<b>Resolved:</b> The Board noted the content of the report.	

# Essex Pension Fund Advisory Board

## Annual Report 2022/23

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### PAB Annual Workplan

The second edition of the PAB Annual Workplan which accompanied the Fund's Three-year Business Plan was approved by the PSB during their 22 March 2023 meeting.

The PAB Annual Workplan was developed in 2022 as a direct outcome of the PAB's Governance Effectiveness Review carried out by the Fund's Independent Governance and Administration Adviser (IGAA).

During 2022/23, the PAB Annual Workplan included:

- the development of a pamphlet to show the expectations around the role of PAB Members and the level of support given to them by Fund Officers to assist with future recruitment. This activity was undertaken by a PAB Task and Finish Group (T&FG) and was subsequently approved by the PSB and published on the Fund's website. In addition, the PSB recommended that they set up their own T&FG to develop a PSB and ISC pamphlet. Both pamphlets were approved by the PSB and were also published on the Fund's website;
- review of the Fund's Communications Policy which enabled the PSB to sign off the revised Policy swiftly due to the feedback and amendments already made by the PAB;
- review of the Fund's Surveys which was applauded by the PAB due to the positive results and good feedback received from the Fund's Scheme Members and Employers. The PAB's comments were reviewed by the PSB enabling swift sign off of this review;
- TPR Single Code which is still expected but not yet received; and
- The SAB Good Governance Project outcomes.

It was noted that the remaining two items would be included within the PAB Annual Workplan till at least 2025 due to the work those publications would entail.

At the PSB's March 2023 meeting, the 2023/24 PAB Annual Workplan included:

- the review of the Fund's Policy for Recording and Reporting Breaches of the Law;
- the Fund's Website Review;
- the Management of Risk;
- TPR Single code; and
- SAB Good Governance Project.

Full agendas and notes for all PAB meetings can be found on the ECC website under the Committees section of Your Council, or by following the link below:

[Essex Pension Fund Advisory Board](#)

# Essex Pension Fund Advisory Board Annual Report 2022/23

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## Future Dates of Meetings

The following meeting dates have been agreed for 2023/24:

- 05 July 2023;
- 20 September 2023;
- 13 December 2023; and
- 20 March 2024.

*The Independent Chairman of the PAB would like to take this opportunity to thank Fund Officers, PAB Members and the PSB for their continued commitment and support in delivering the PAB objectives and workplan throughout the year.*

*Nicola Mark, Independent Chairman*  
**Essex Pension Fund Advisory Board**  
**July 2023**

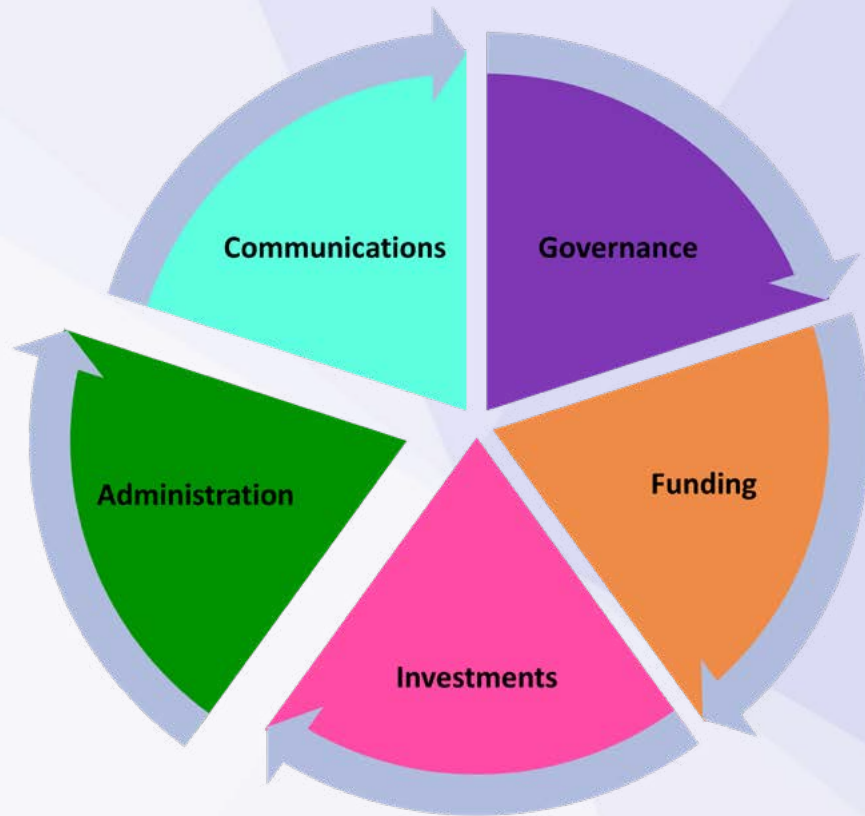
*Andrew Coburn, Vice Chairman*

Essex Pension Fund

Essex Pension Fund

# Administration Strategy

18 March 2022





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Revised March 2022

# Essex Pension Fund Administration Strategy

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## 1. Introduction and Regulatory Context

- 1.1 This is the 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 LGPS Regulations 2013 allow Pension Fund Administering Authorities to prepare an 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 Pensions Regulator (“TPR”).
- 1.3 TPR plays a key role in overseeing Public Service Pension Schemes, including setting standards of administration and governance on all administrative aspects of the Scheme. Local Pensions Boards also provide an independent role to ‘assist’ the Fund to achieve regulatory compliance, and effective and efficient administration and governance.
- 1.4 The Fund has revised its December 2018 Strategy to ensure the governance and administration requirements of 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 and Employers at the point of need
  - Ensure contribution income is collected from, the right people at the right time in the right amount
  - Ensure benefits are paid to the right people at the right time in the right amount
  - Ensure the Fund Employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund’s agreed policies and procedures

# Essex Pension Fund Administration Strategy

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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

And the following Governance Objective:

- Ensure confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved

2.2 The **aims** of this Strategy are to:

- 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 This strategy applies not only to existing Scheme Employers but will also apply to all new future Employers of the Fund. Schools (other than Academies, Free Schools and University Technical Colleges (UTCs)) are included under the LEA of the relevant Council even if they have their own payroll or have outsourced it to a third party.

2.6 The **specific goals** 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 TPR 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

# Essex Pension Fund Administration Strategy

communicated accurately, on a timely basis and in a secure and compliant manner

- The Fund and its 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
- Administrative services are developed and delivered digitally where possible in order to streamline processes and maximise efficient use of resources

## 3. Roles and 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, they should satisfy themselves 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/Chairman of the Council/or other suitable person 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 any changes 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.

# Essex Pension Fund Administration Strategy

## Summary of Scheme Employer Responsibilities

3.1.8 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
<b>1</b>	<b>General</b>	
1.1	<b>Confirm nominated representative(s)</b> 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	<b>Appoint a person (the adjudicator) to consider disputes</b> 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	<b>Formulate, publish and keep under review policies</b> 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	<b>Distribute any information</b> provided by the Fund to Scheme Members/potential Scheme Members (e.g. Scheme benefits or benefit statement production)	In a timely manner as required

# Essex Pension Fund Administration Strategy

Function/Task		Expectation
1.5	<p><b>Notify the Fund of any Notifiable Events</b> including, but not restricted to, the following:</p> <ul style="list-style-type: none"> <li>• Material change in LGPS membership</li> <li>• Material change in Employer payroll and/or pensionable pay</li> <li>• Change in Employer's legal status or constitution</li> <li>• A decision which will restrict the Employer's active membership in the Fund in future</li> <li>• Any restructuring or other event which could materially affect the membership in the Fund in future</li> <li>• Confirmation of wrongful trading</li> <li>• Conviction of senior personnel</li> <li>• Decision to cease business</li> <li>• Breach of banking covenant</li> </ul>	Within 7 days of becoming aware of such an event
<b>2</b>	<b>New Starters</b>	
2.1	<b>Decide who is eligible</b> for LGPS membership (and the date from which membership of the LGPS starts).	On joining (or at point becomes eligible if later)
2.2	<b>Determine rate of employee contributions</b>	For the first pay period in which the employee joins the LGPS
2.3	<b>Notify the Fund</b> of new joiner via Monthly Return	By end of month following the date joined (e.g. by the end of May if joined in April)
2.4	<b>Provide new employees, who are eligible for the LGPS, with details about the LGPS</b> 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



# Essex Pension Fund Administration Strategy

Function/Task		Expectation
<b>3</b>	<b>Contributions</b>	
3.1	<b>Remit Employer and employee contributions</b> 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	<b>Implement changes to Employer contribution rates</b> 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
3.3	<b>Ensure and arrange for the correct deduction of employee contributions</b> 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	<b>Arrange for the deduction of AVCs</b> and payment over of contributions to the AVC provider(s) and inform the Fund as required	As required, typically monthly
3.6	<b>Make additional fund payments in relation to</b> 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	<b>Refund contributions through the payroll</b> 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
<b>4</b>	<b>During Membership</b>	
4.1	Move employees into the 50:50 section or Main section	From the next pay period after receiving the employee's election

# Essex Pension Fund Administration Strategy

Function/Task		Expectation
4.2	Move employee back into the <b>Main section</b>	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	<b>Notify the Fund of changes</b> affecting pension entitlement via Monthly Return	By end of month following the date of change (e.g. by the end of May if the change occurred in April)
<b>5</b>	<b>Early Leavers</b>	
5.1	Early leavers (non-retirement) notify the Fund via Monthly Return	By end of month following the date of leaving or opting out of the Scheme.
<b>6</b>	<b>Retirements</b>	
6.1	<b>Advance notification of retirement</b> form EPF1a (or via online portal)	Form EPF1a should be sent to the Fund as soon as the retirement date is known
6.2	<b>Notification of retirement</b> Notify the Fund via Monthly Return and forms EPF1 + EPF68 (or via online portal)	Monthly Return and/or 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	<b>Early Retirement at Member's choice</b>	If the Fund receives information via Monthly Return or 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

# Essex Pension Fund Administration Strategy

Function/Task		Expectation
6.4	<b>Ill Health Retirement notification</b> notify the Fund via Monthly Returns and forms EPF1 + EPF68 (or via online portal)	Form EPF1a should be sent to the Fund as soon as the retirement date is known. Monthly Return and/or 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	<b>Flexible retirement notification</b>	Monthly Return and/or 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. Starting details for the continuing job to be supplied on Monthly Return by the end of month following the date of leaving or opting out of the Scheme
<b>7</b>	<b>Contracting out of services</b>	
7.1	<b>Contact the Fund to discuss the pension implications of the contracting out of services</b> 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	<b>Notify the Fund of the intention to contract out of services</b> 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 <b>arrange for an admission agreement to be put in place</b> 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)
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

# Essex Pension Fund Administration Strategy

Function/Task		Expectation
<b>8</b>	<b>Money Return</b>	
8.1	Provide the Fund with a Monthly Return containing all required data each month. 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 the end of the following month. For example information for March to be submitted by the end of April

# Essex Pension Fund Administration Strategy

## 3.2 The Fund's responsibilities

3.2.1 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 3.2 for a list of key tasks which are benchmarked annually against other LGPS Funds and are reported to the Essex Pension Fund Strategy Board (PSB).

### General Duties and Responsibilities

Function/Task		Expectation
<b>1</b>	<b>General Information</b>	
1.1	Regularly review the Fund's Administration Strategy and consult with all Scheme Employers	Review generally every 3 years and consult with Employers before revised Strategy agreed
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 Communications Policy	Informally reviewed annually with a formal review every 3 years. Revised Policy published within 30 days of being agreed by the PSB
1.4	Regularly review the Fund's Governance Policy and Compliance Statement	Reviewed and updated at least every three years sooner if the governance arrangements or other matters included within in merit reconsideration. Revised Policy published within 30 days of being agreed by the PSB
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 (or other date as set by Government)

# Essex Pension Fund Administration Strategy

Function/Task		Expectation
<b>2</b>	<b>Employer Contribution Requirements</b>	
2.1	Consult with Employers on the outcomes of the Triennial Valuation	The Fund will endeavour to provide outcomes 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 if all data has been supplied as requested or commencement as a Scheme Employer
<b>3</b>	<b>Support for Employers</b>	
3.1	Provide support for Employers through: <ul style="list-style-type: none"> <li>• a dedicated helpline</li> <li>• written guidance and communications;</li> <li>• face to face meetings; and</li> <li>• YouTube videos</li> </ul>	Dedicated helpline: Monday-Thursday 8.30am-5.00pm Friday 8.30am-4.30pm Written communication as per the Fund's Communications Policy Employer forum held at least annually
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	Issue monthly return submission queries to Employer and/or payroll provider (validation stage)	Accepted or Rejected email sent to Employer within 1 month
3.6	Query list sent to Employer and/or Payroll Provider requesting information re Monthly Return (processing stage)	Query list sent to Employer within 20 working days of return being accepted at validation stage



# Essex Pension Fund Administration Strategy

Function/Task		Expectation
<b>4</b>	<b>Member information and general administration</b>	
4.1	Produce annual benefit statements for Active Members as at 31 March	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 6 October following the end of the tax year, (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	Publish within 30 days from any revision
4.6	Letters/e-mails from Members (or Member's representatives)	Answer or acknowledge within 5 working days

## Performance measurement and key tasks

- 3.2.2 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 to that of 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 PSB and is included in the Fund's annual report & accounts.
- 3.2.3 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 16 sets out the key performance indicators which are benchmarked annually. The Fund aims to maintain performance at 95% in respect of key performance indicators and 90% in respect of other performance indicators.

# Essex Pension Fund Administration Strategy

## The Fund's Key Performance Indicators

Performance Area		Measurement
<b>1</b>	<b>New joiners &amp; charges</b>	
1.1	Set up a new starter and provide statutory notification	<u>Portal submissions</u> Within 5 working days of receipt of correct data file from Employer <u>Monthly Return submissions</u> Within 40 working days of receipt of correct data file from Employer
1.2	Changes to a Member's details	Within 20 working days of receipt of notification from Employer
<b>2</b>	<b>Transfers</b>	
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
<b>3</b>	<b>Additional Contributions</b>	
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

# Essex Pension Fund Administration Strategy

Performance Area		Measurement
<b>4</b>	<b>Leavers</b>	
4.1	Notify Members of their deferred options	Within 10 working days of receipt of the leaver notification
4.2	Deferred benefits calculated	Within 30 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
4.4	Refund payments	Within 5 working days from receipt of all necessary information
<b>5</b>	<b>Retirements</b>	
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
<b>6</b>	<b>Deaths</b>	
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

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Performance Area		Measurement
<b>7</b>	<b>Customer service</b>	
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

## Benchmarking Key Performance Indicators

3.2.4 The following key tasks are benchmarked annually against the performance other LGPS Funds as part of the CIPFA benchmarking club. Please note that the tasks benchmarked each year and the standards measured against are subject to change from time to time, at the discretion of the benchmarking club's steering group; the standards are currently measured against the legal time limits. The Fund's performance against these key tasks and its performance comparative to other Funds are reported to the PSB and also included in the Fund's Annual Report & Accounts.

	Performance Area	Standard
1	Transfer In - letter detailing transfer in quote	2 months
2	Transfers Out – letter detailing transfer out quote	2 months
3	Refund – process and pay refund	2 months
4	Deferment – calculate and notify deferred benefits	2 months
5	Retirements - Letter notifying estimate of retirement benefits (including all retirement types; normal, ill health, early, late etc.). (Active)	2 months
6	Retirements - Letter notifying estimate of retirement benefits (including all retirement types; normal, ill health, early, late etc.). (Deferred)	2 months

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	Performance Area	Standard
7	Retirements - Letter notifying estimate of retirement benefits (including all retirement types; normal, ill health, early, late etc.). (Deferred)	2 months
8	Retirements - Letter notifying actual retirement benefits (including all retirement types; normal, ill health, early, late etc.). (Deferred)	2 months
9	Retirements - Process and pay lump sum retirement grant (including all retirement types; normal, ill health, early, late etc.). (Active)	2 months
10	Retirements - Process and pay lump sum retirement grant (including all retirement types; normal, ill health, early, late etc.). (Deferred)	2 months
11	Deaths - Initial letter acknowledging death of Active/Deferred/Pensioner Member	2 months
12	Deaths - Letter notifying amount of dependent's benefit	2 months
13	Divorce Quote - Letter detailing cash equivalent value and other benefits	3 months
14	Divorce Settlement - Letter detailing cash equivalent value and application of Pension Sharing Order	3 months
15	Joiners - Send notification of joining the LGPS to Scheme Member	2 months
16	Deferred into Pay - Process and pay lump sum retirement grant	2 months

# Essex Pension Fund Administration Strategy

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## 4. Achieving the Objectives

- 4.1 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 meet the expectations and demands of Scheme Members and comply with the data requirements of ever-increasing scrutiny both at a local and national level. Furthermore, TPR introduced higher levels of compliance and the Fund will be required to demonstrate heightened governance and administrative efficiency.
- 4.2 There are four key elements necessary to achieving the Fund's Administrative
- 4.3 Objectives:

### ◇ Communications

The Fund aims to provide easy to follow, 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.

### ◇ 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;



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- 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 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.

## 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.

The ambition is to eventually have all Fund Employers submitting data electronically via the Portal.

## 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 Fund 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 by an appropriately trained Member of staff before submission;

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- 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 Fund 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 and 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 PSB and included in the Fund’s Annual Report and 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:

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- 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)

- 6.1 The following table details work which the Fund may do for Scheme Employers, but which is not covered by the administration charge which is included in the Employer contribution rate. 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
<b>IAS19/FRS17 production</b> for accounts	All work relating to IAS19/FRS17 production for accounts  Nb. this is in addition to the Actuary's charges	£165-£660 depending on no. of Members  Additional Officer time can be charged for additional auditor enquiries.
<b>Late payment of contributions</b> (Ees/ Ers/deficit) & late submission of return	Receipt of income late - regulations require within 19 days of end of the month.	£66 for late payment (includes part payment being paid late, e.g. deficit), and interest is also charged  £66 for late submission of return

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Description of Activity	Work done which is not covered by Admin Charge	Additional Charge
<b>Working out average hours</b> for a Scheme Member	Working out average hours for a Scheme Member (an Employer duty)	£22 per Member/per Scheme Year
<b>Coding changes</b> for Compensatory Added Years (CAYs)/teachers compensation	Input new code on pension payroll	£110 < 100 Members £165 100-250 Members £220 > 250 Members
<b>Early Retirement Estimates</b> (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 - £27.50 per estimate < 1 week turnaround - £55 per estimate
<b>Early Retirement Estimates</b> (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 – £27.50 per estimate 1 - 2 week turnaround - £55 per estimate < 1 week turnaround - £82.50 per estimate
<b>Bulk early retirement estimates</b> E.g. Running report to capture pension, lump sum, strain for everyone over age 55	Bulk early retirement estimates	3 week turnaround - £750

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Description of Activity	Work done which is not covered by Admin Charge	Additional Charge
<p><b>TUPE &amp; Outsourcings</b> - Admission body process (including re-lets)</p>	<p>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.</p> <p>Nb. this is in addition to the Actuary's report fee</p>	<p>Charge is 25% of the actuary's fee for the risk and contribution report. Charge includes:</p> <ul style="list-style-type: none"> <li>• Generic guidance of the process</li> <li>• Provision of standard draft agreements</li> <li>• Reasonable cleansing of records</li> <li>• Providing data to the Actuary</li> <li>• Liaising with the Actuary</li> <li>• 60 minutes of Officer support &amp; guidance by phone, e-mail or in person</li> <li>• Sealing of agreements by ECC</li> <li>• Provision of copy of sealed agreements to all parties</li> <li>• Amendment of UPM records</li> </ul> <p>Any additional work necessary, such as amendments to the standard draft admission agreement, will be chargeable at £55 - £110 per hour depending on which Officer does the work</p>
<p><b>Academy conversions</b> / free schools</p>	<p>Any work relating to the conversion of a school to Academy status or the setting up of a free school.</p> <p>Nb. this is in addition to the Actuary's report fee.</p>	<p>15% of the Actuary's fee</p>
<p><b>Bond Review</b></p>	<p>Any work in relation to reviewing a bond level</p> <p>Nb. this is in addition to the Actuary's report fee.</p>	<p>15% of the Actuary's fee</p>

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Description of Activity	Work done which is not covered by Admin Charge	Additional Charge
<b>Internal fund transfers</b>	<p>Any work in relation to an internal transfer of Members between Employers in the Fund</p> <p>Nb. this is in addition to the Actuary's report fee.</p>	15% of the Actuary's fee
<b>Non- standard Actuarial work</b>	<p>Non-standard actuarial work instigated by, or because of the actions of, the Employer – e.g. bespoke requests</p> <p>Nb. this is in addition to the Actuary's report fee.</p>	15% of the Actuary's fee
<b>Cessation work</b> when an Employer exits the Fund	<p>All work in relation to the cessation of an Employer exiting the Fund</p> <p>Nb. this is in addition to the Actuary's report fee.</p>	20% of the Actuary's fee
<b>Accelerating work</b> - 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
<b>Assistance with wording</b> of the Employer's communications or policies etc	Writing/Re-writing Employer communication	Chargeable at £55 - £110 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.



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## 7. Approval and Review

- 7.1 This Administration Strategy was approved on 18 March 2022 by the PSB. It will be formally reviewed and updated by the PSB at least every three years or sooner if Administration arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

## 8. Further Information

If you require further information about the Fund's Administration Strategy, please contact:

David Tucker, Technical Hub Manager, Essex Pension Fund  
Email – [David.tucker@essex.gov.uk](mailto:David.tucker@essex.gov.uk)

Jody Evans, Director for Essex Pension Fund  
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CM1 1QH

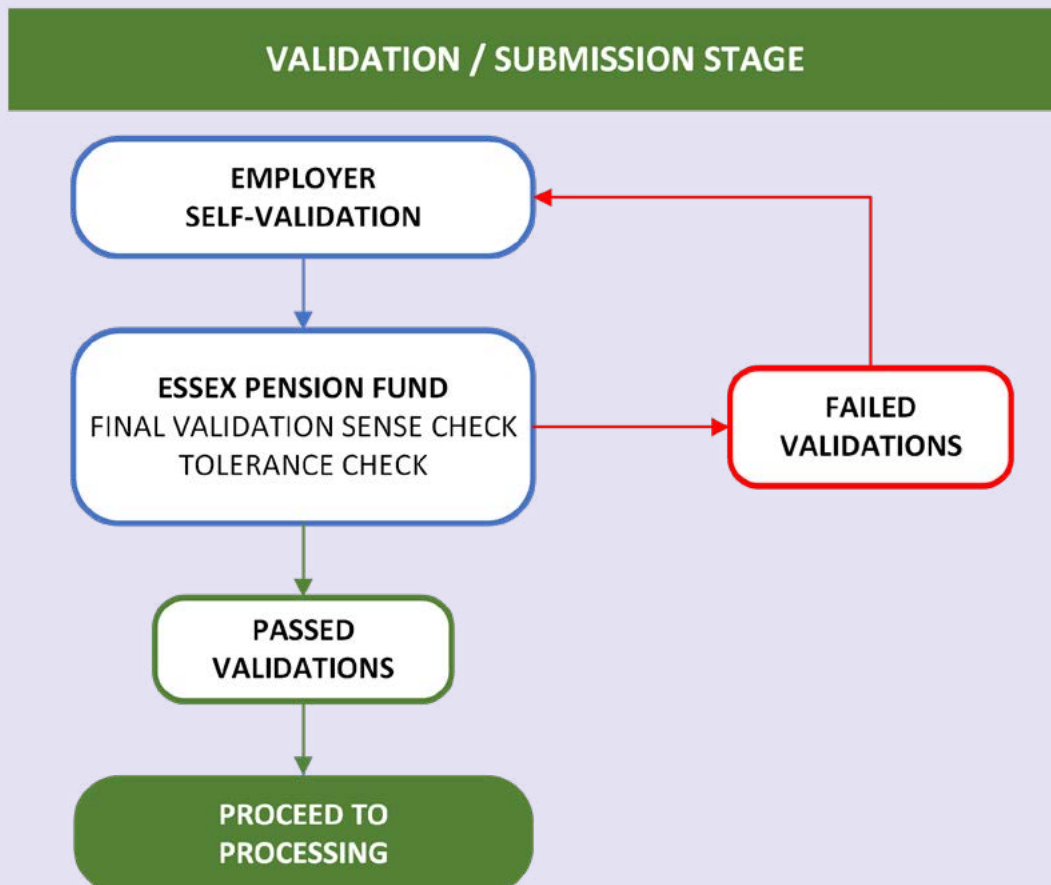
### Policy on charging for late and/or inaccurate returns

**Effective date: 01/04/2022**

An accurate return must be submitted in the approved format no later than the end of the following month. For example, information for March to be submitted by the end of April.

- ◇ 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/Submission stage and at the Processing stage.
- ◇ Any charges incurred by Employers for either stage will be invoiced at the earlier of (i) within 1 month of correct data being received or (ii) 3-month anniversary of deadline.

Details of the two acceptance stages are outlined below:



- ◇ Employers will be expected to undertake many of the formatting and tolerance checks themselves, by using the self-validation facility built into the monthly 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 month 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 Submission Charge if:

- the Return is received by the end of the month following the submission month and passes the validation and tolerance checks within 10 working days of original rejection.

### Submission Charge if:

- the Return is received by the end of the month following the submission month and does not pass the validation and tolerance checks within 10 working days of original rejection, or
- the Return is received after the end of the month following the submission month.

### Submission Charge Doubled if:

- Accurate data is not received within 3 months of the deadline, and Submission Charge B will apply.

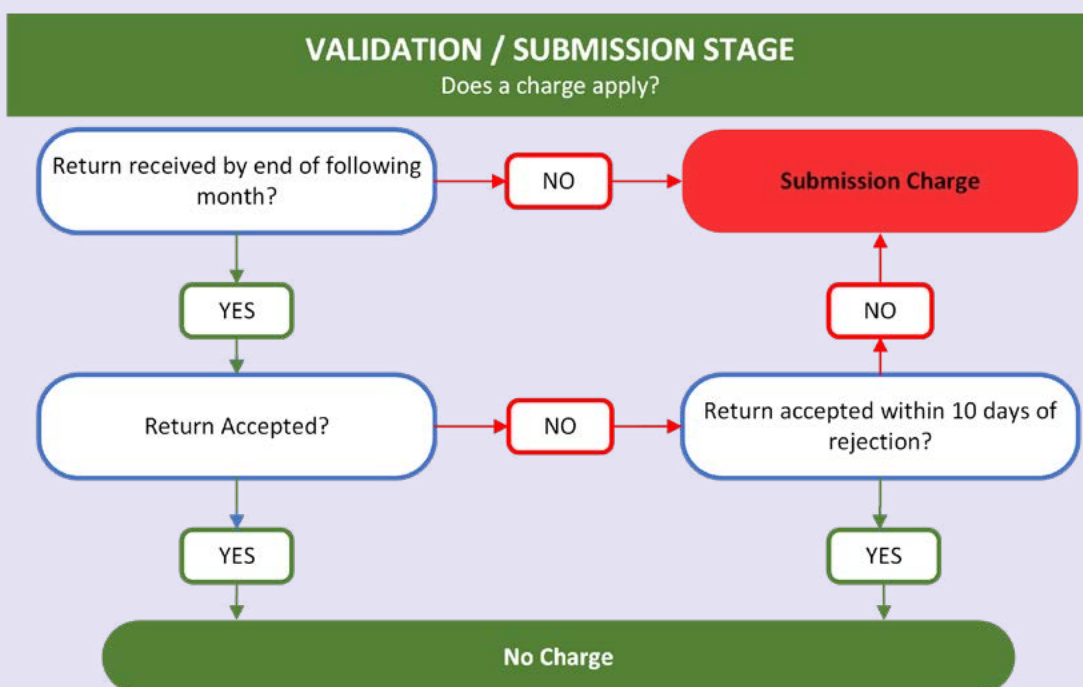
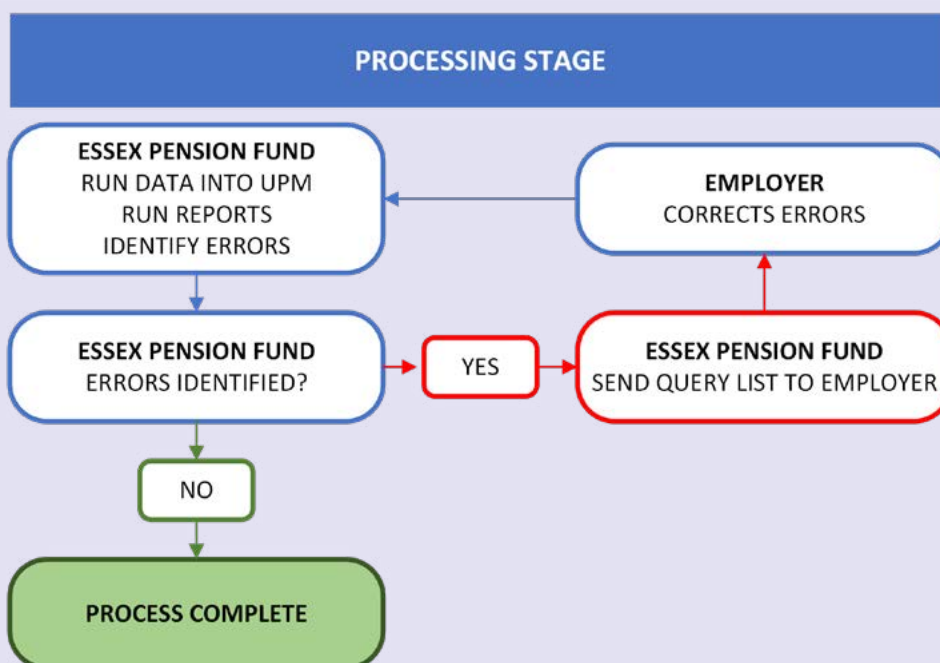
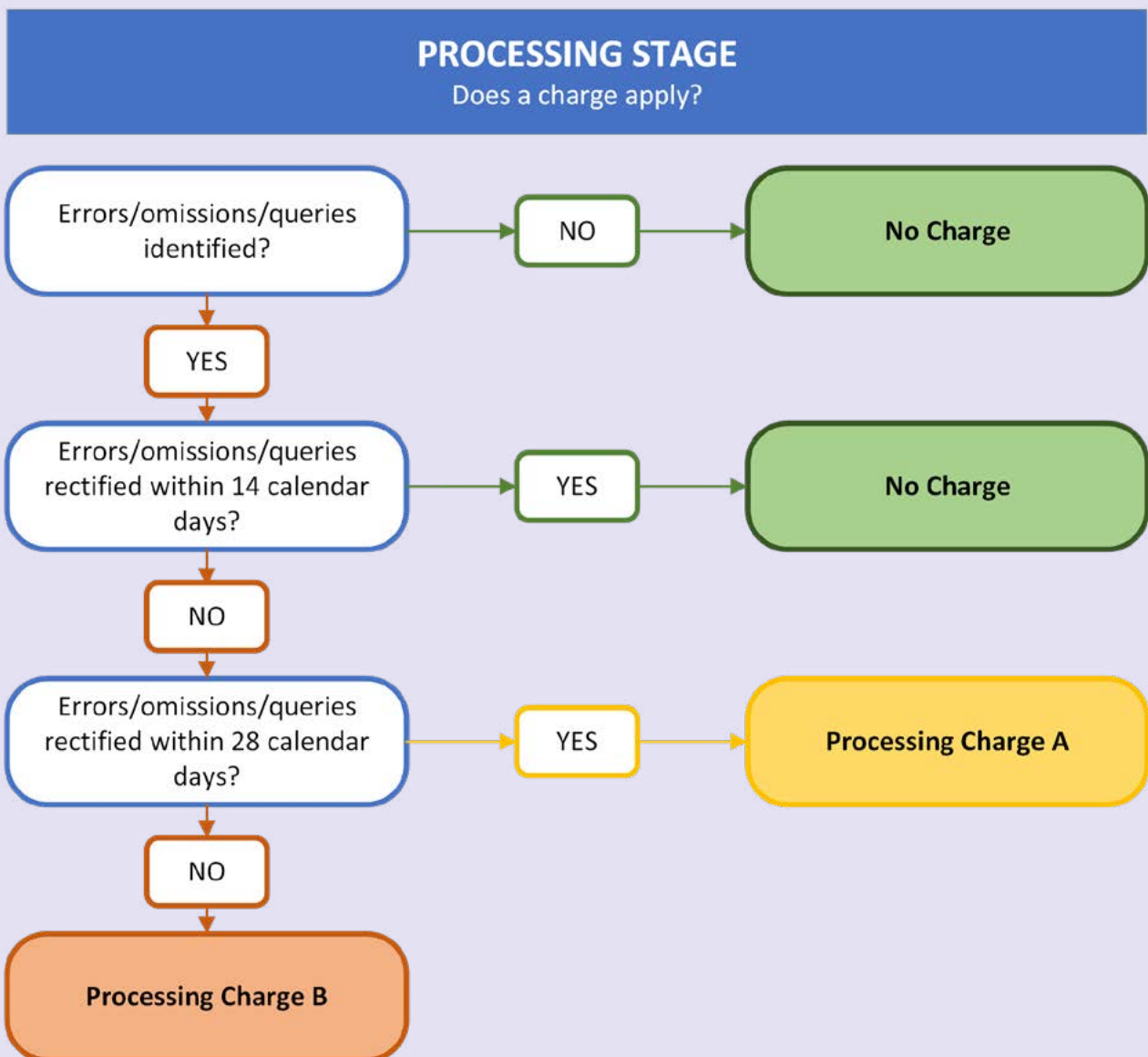


Table 1: Validation / Submission Stage Charges	
Number of members on file	Submission Charge
1 - 25	£25.00
26 - 50	£50.00
51 - 100	£100.00
101 - 250	£175.00
251 - 500	£275.00
501 - 1000	£400.00
1001 - 5000	£550.00
5001 - 10,000	£725.00
10,001+	£925.00

These charges will be increased each April by the previous September's Consumer Price Index (CPI) annual inflation figure.



- ◇ 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 Processing 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, and Processing Charge B will apply.



**Table 2 - Processing stage charges**

No. of errors, omissions & queries	Processing Charge A	Processing Charge B*
1 - 10	£60.00	£120.00
11 - 20	£120.00	£240.00
21 - 30	£180.00	£360.00
31 - 40	£240.00	£480.00
41 - 50	£300.00	£600.00
51 - 100	£600.00	£1,200.00
101 - 250	£1,500.00	£3,000.00
251 - 500	£3,000.00	£6,000.00
501 - 750	£4,500.00	£9,000.00
751 - 1000	£6,000.00	£12,000.00
1001+	£8,000.00	£16,000.00
If the original data supplied turns out to be correct or a query is resolved within deadlines then that query will be deducted from number of errors, omissions and queries used to determine the charge		
These charges will be increased each April by the previous September's Consumer Prices Index (CPI) annual inflation figure		

### Additional Charges

Additional charges will be incurred by an Employer if correct returns are 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 TPR 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

## Knowledge and Skills Strategy for Board/ Committee Members

December 2020



# Essex Pension Fund

## Knowledge and Skills Strategy for Board/Committee Members

### Background and Introduction

This is the Knowledge and Skills Strategy for the Essex Pension Fund (the “Fund”) which details the knowledge and skills strategy for Members of the Essex Pension Fund Strategy Board (PSB), Investment Steering Committee (ISC) and Pension Advisory Board (PAB).

This Knowledge and Skills Strategy has been established to aid PSB, ISC and PAB Members in performing and developing personally in their individual roles, with the ultimate aim of ensuring the Fund is managed by individuals who have appropriate levels of knowledge and skills.

All references in this document to “PSB, ISC and PAB Members” includes Substitute Members.

This Strategy has been developed covering the five key areas of the Fund:



# Essex Pension Fund

## Knowledge and Skills Strategy for Board/Committee Members

---

### Aims and Objectives

The aims and objectives of this Strategy is to:

- ensure the Fund is managed and its services delivered by people who have appropriate levels of knowledge and expertise;
- ensure Board/Committee Members receive the right training to give them the required knowledge to enable robust decision-making;
- ensure training is delivered at the right time in the most effective way; and
- ensure refresher training takes place at the most relevant time to ensure the knowledge level of Members is appropriately maintained.

### To whom this Strategy applies

In accordance with the Council's Constitution, Essex Pension Fund Board and Committee Members are expected to attend regular training sessions in order to maintain an appropriate level of knowledge and skills to perform their roles effectively.

This Knowledge and Skills Strategy applies to all members of the PSB, ISC and PAB, Scheme Member and Employer representatives.

Senior Officers within the Essex Pension Fund Management Team, the Director for Essex Pension Fund and the Executive Director Finance and Technology (Section 151 Officer) will also be required to have appropriate knowledge and skills relating to their role which is captured in a separate knowledge and skills strategy for Officers.

Chartered Institute of Public Finance and Accountancy (CIPFA) launched a Code of Practice and Technical Guidance for Representatives on Pension Fund Committees (PSB/ISC) and Local Pension Board (PAB) Members within knowledge and skills frameworks.

The Frameworks detail the knowledge and skills required for those involved in the management and decision making of LGPS funds. They cover eight areas of knowledge and skills identified as the core requirements including areas such as: Legislation; Governance; Administration; Investment matters; and Actuarial matters.

CIPFA's guidance highlights that, with the introduction of investment pooling arrangements, comes a need for a wider range of knowledge. The guidance specifies that LGPS funds will need to ensure elected members who are members of the oversight committee (ACCESS Joint Committee (AJC)) have a more in-depth level of knowledge in relation to investment pooling arrangements.

The implementation of Markets in Financial Instruments Directive (MiFID II) led to the need for the Fund to be opted up to professional status to allow the Fund to continue to access the full range of vehicles and managers needed to meet the needs of the Investment Strategy.

As part of this process the Fund had to provide evidence that PSB/ISC Members had an appropriate level of knowledge and that adequate governance arrangements were in place. In order to maintain this status, the Fund will need to continue to demonstrate the competency of existing and new PSB/ISC Members and this Knowledge and Skills Strategy will support that aim.

[MHCLG Statutory Governance Guidance](#) states:

- That where Members sit 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.
- In line with the Myners Principles, Members of formal Committees who take investment decisions should have sufficient expertise to be able to evaluate critically any advice they take.

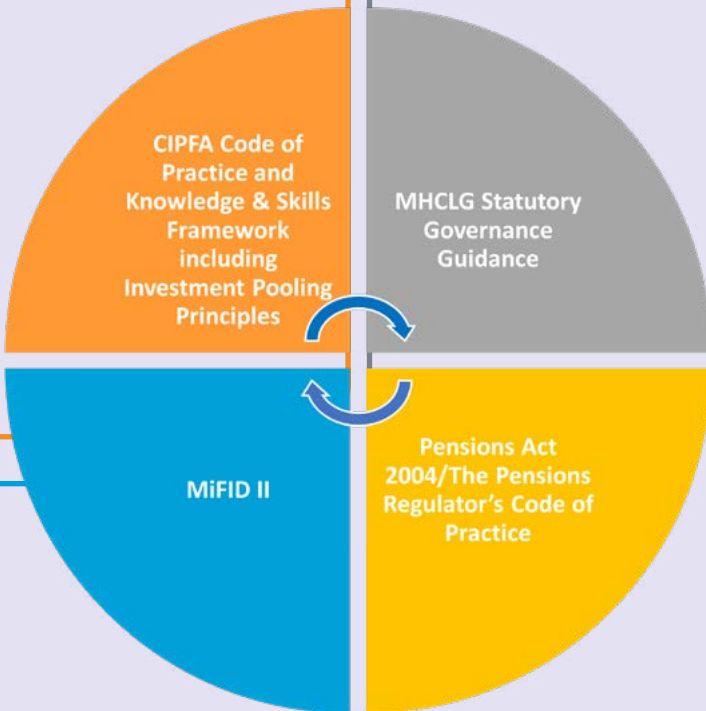
- The Administering Authority must report on the extent to which training facilities are extended to lay members sitting on either main or secondary LGPS Committees.

- 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 in respect of Members involved in the decision-making process

- That where such a policy exists it applies to all members of committees, sub-committees, advisory panels or any other form of secondary forum.

- That the Administering Authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.

[The Pensions Act 2004](#) includes a requirement for Local Pension Board members to have a degree of knowledge and understanding appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Local Pension Board (PAB). This is expanded on in [The Pensions Regulator Code of Practice](#).



# Essex Pension Fund

## Knowledge and Skills Strategy for Board/Committee Members

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### Application to the Essex Pension Fund

PSB, ISC and PAB Members, Scheme Member and Employer representatives are expected to maintain an appropriate level of knowledge and skills to perform their role effectively, and to meet the requirements of overriding legislation, statutory and professional guidance.

All Board/Committee members will receive appropriate training to fill any knowledge gaps identified and must seek to maintain their knowledge.

The Fund fully supports the use of the CIPFA Code of Practice on LGPS Knowledge and Skills, and its associated Frameworks, and TPR's Code of Practice, as well as understanding the need for appropriate knowledge and skills to allow professional status to be awarded for MiFID II purposes. The Fund adopts the principles and requirements of these, and this Knowledge and Skills Strategy highlights how the Fund will strive to achieve those through the use of a two-year rolling Training Plan together with regular monitoring and reporting.

# Essex Pension Fund

## Knowledge and Skills Strategy for Board/Committee Members

### Delivery

The Fund recognises that attaining and maintaining relevant knowledge and skills is a continual process for PSB/ISC Members and PAB Members, and that training is a key element of this process. The Fund has, therefore, developed a two-year rolling Training Plan based on the following key elements and is provided at Appendix A to this Strategy.

#### Induction Training

- On joining the PSB, ISC or PAB, a new Member will be provided with electronic documentation to assist in providing a basic understanding of the Fund, e.g. the Fund's three-year Business Plan, Annual Report and Policies.
- Within 3 month's of appointment, a new Member will also receive formal Induction Training carried out by Fund Officers as part of a one-to-one briefing or, if there is more than one new member, in-house training.
- In addition, an individual training plan will be developed to assist each PSB/ISC Member and PAB Member in achieving, within 12 months of assessment, their identified individual training requirements (captured by the completion of the Training Needs Analysis).

#### Individual Training Needs Analysis

- An individual Training Needs Analysis has been developed for the main roles of PSB/ISC Members and PAB Members customised appropriately to the key areas in which they should be proficient. This will include all the areas highlighted within CIPFA Knowledge and Skills Frameworks.
- Training will be required in relation to each of these areas and will be delivered in the most effective way e.g. one-to-one briefing, training days or Bite size Training for all Members as part of a Board/Committee meeting.

#### Bite size Training

- A Training Plan has been developed to ensure appropriately timed training is provided in relation to hot topic areas, such as a high risk area or an area of change for the Fund. An example of this would be Valuation training leading up to the Valuation process.
- This training will usually be delivered through PSB, ISC or PAB meetings as bite size training to effectively cover the required topic and to aid decision-making where applicable.

#### General Awareness

- PSB/ISC Members and PAB Members are expected to maintain a reasonable knowledge of ongoing developments and current issues, which will allow them to have a good level of general awareness of pension related matters appropriate for their roles and which may not be specific to the Fund.
- This training will be covered throughout the 24 month period and an assessment will be made on how the training is most effectively delivered, either through: in-house training days provided by Fund Officers and/or external Advisers / Suppliers; training as part of meetings (bite size training) provided by Fund Officers and/or external Advisers; external training events; circulation of reading material; attendance at seminars and conferences offered by industry-wide bodies; attendance at meetings and events with the Fund's investment managers and advisers; links to on-line training and webinars; and access to the Essex Pension Fund website where useful Fund specific material will be available.



# Essex Pension Fund

## Knowledge and Skills Strategy for Board/Committee Members

### Monitoring Knowledge and Skills

In order to identify whether we are meeting the objectives of this Strategy we will:

1. Compare and report on attendance at training based on the following:
  - Induction training – ensuring initial induction training is completed by new Members within 3 months of appointment;
  - Individual Training Needs Analysis (for new Members) – ensuring a Training Needs Analysis is undertaken for each new Member within 3 months of appointment with the identified training requirements delivered within 12 months of assessment;
  - Individual Training Needs Analysis (for existing Members) – ensuring a Training Needs Analysis is undertaken for each individual at least once every 2 years with the identified training delivered within 12 months of the assessment;
  - EPF in-house training – ensuring attendance by at least 80% of the required PSB/ISC/PAB Members at planned EPF training days and Bite size Training sessions as part of Board/Committee meetings;
  - General Awareness – each PSB/ISC Member and PAB Member achieving the required training credits within a two-year rolling period.
2. Ask our Independent Governance and Administration Adviser to assist in the annual evaluation on the governance of the Fund each year, a key part of which will focus on the delivery of the requirements of this Strategy.

### Key Risks

The key risks to the delivery of this Strategy are contained within the Fund's Risk Register which can be found on the [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) website.

### Reporting

The following information will be included in the PSB, ISC and PAB meeting Agenda Packs on an annual basis:

- the training provided / attended in the previous year at an individual level; and
- the results of the measurements identified above.

In addition, quarterly reporting through the Fund's Scorecard will be provided to the PSB and PAB at each meeting in regard to the progress in achieving the above.

Furthermore, at each PSB, ISC and PAB meetings, Members will be provided with details of forthcoming seminars, conferences and other relevant training events that are on the horizon.

# Essex Pension Fund

## Knowledge and Skills Strategy for Board/Committee Members

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### Approval, Review and Consultation

This Knowledge and Skills Strategy was approved on 16 December 2020 by the PSB. It will be formally reviewed and updated by the PSB at least every three years or sooner if the training arrangements or other matters included within it merit reconsideration.

### Further Information

If you require further information about this Strategy, please contact:

Amanda Crawford, Head of Compliance & Governance, Essex Pension Fund

Email – [Amanda.Crawford@essex.gov.uk](mailto:Amanda.Crawford@essex.gov.uk)

Jody Evans, Interim Director for Essex Pension Fund

Email – [Jody.Evans@essex.gov.uk](mailto:Jody.Evans@essex.gov.uk)

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# Essex Pension Fund



## Training Plan for Board/Committee Members

December 2020



# Essex Pension Fund

## Training Plan for Board/Committee Members

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### Objective

The objective of this Training Plan is to deliver informative and relevant training to the Essex Pension Fund Strategy Board (PSB), Investment Steering Committee (ISC) and Essex Pension Fund Advisory Board (PAB) Members, on a two-year rolling programme to enable efficient and effective decision-making and oversight of the Fund's processes.

References in this document to "PSB, ISC and PAB Members" include Substitute Members in all cases, except under Training Credits.

### Delivery Methods

The delivery of training will be carried out through the following channels:

- One-to-one briefing with a Fund Officer;
- Members' briefing notes as part of Boards/Committee Agenda Packs;
- Bite size Training - delivered during Boards/Committee meetings;
- In-house training events / workshops - delivered by Fund Officers and/or Advisers;
- External Conferences and Seminars; and
- E-learning and Webinars.

### Induction Training

On joining the PSB, ISC or PAB, a new Member will be provided with:

- Electronic documentation to assist in providing a basic understanding of the Fund;
- Within three month's of appointment, a formal Induction Training session will be carried out by Fund Officers; and
- Completion of a Training Needs Analysis to assist in the development of an individual training plan and the Boards/Committee training plans.

The formal Induction Training Session will cover:

- Governance Structure including the role of the:
  - Administering Authority;
  - S151 Officer; and
  - PSB/ISC/PAB Members including Scheme Employer and Scheme Member representatives.
- LGPS Landscape;
- Actuarial Valuation;
- Funding Strategy;
- Investment Strategy;
- ACCESS—Investment Pooling;
- Administration of the Fund; and
- How the Fund communicates with its stakeholders.

# Essex Pension Fund

## Training Plan for Board/Committee Members

### Training Credits

Training credits will be awarded to each Board/Committee Member where training events (approved / recommended by the Fund) has been undertaken either in person or by virtual means.

Method of attaining credit	No. of credits awarded for Members who are on both PSB and ISC	No. of credits awarded for PSB only Members and PSB / ISC Substitute Members	No. of credits awarded for PAB Members
Training within meetings	1 credit per meeting		
Fund Specific Training Days	2 credits for a full day's attendance 1 credit for a half day's or less attendance		
Completion of any relevant module of the CIPFA Knowledge and Skills Framework	1 credit per module passed and valid for 2 years		
Completion of any relevant module or subject within The Pensions Regulators (TPR) Code of Practice	1 credit per module passed and valid for 2 years		
Attendance at an approved conference, seminar or external training event / meetings	2 credits for a full day's attendance 1 credit for a half day's or less attendance		
Expected number of credits to be achieved within a 2-year rolling period	18 credits		12 credits

### Training Plan

The Training Plan has been developed in totality and is detailed below. However, there will be some subject areas that will not be relevant to all Members.




1. Governance		
Training Title	Training Need	Linked to:
Governance Structure Overview	An understanding of the Fund’s Governance Structure including the roles of: the Administering Authority; S151 Officer; Monitoring Officer, Senior Officers within the Fund, PSB/ISC/PAB Members including Scheme Employer and Scheme Member Representatives	<ul style="list-style-type: none"> <li>• Induction / Refresher Training</li> <li>• Governance Policy and Compliance Statement</li> <li>• Conflicts of Interest Policy</li> <li>• The recording and reporting of Breaches of the Law</li> </ul>
Regulations	<p>An understanding of the wider pensions and LGPS Landscape including the LGPS Regulations, MHCLG, Scheme Advisory Board (SAB), Pensions Ombudsman, TPR and Regulatory Reform (current topics include McCloud, £95K Cap, Cost Cap etc)</p> <p>Awareness of relevant statutory guidance and the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Pension Regulator’s Code of Practice.</p>	<ul style="list-style-type: none"> <li>• Current LGPS Regulations</li> <li>• Historic LGPS Regulations</li> <li>• CIPFA Training Modules</li> <li>• TPR Code of Practice</li> </ul>
Policies	An understanding of the Fund’s Policies, Strategies and Publications	<ul style="list-style-type: none"> <li>• Business Plan</li> <li>• Governance Policy and Compliance Statement</li> <li>• Risk Strategy</li> </ul>
Financials	The statutory requirements for the compliance with Account and Audit Regulations including the roles of Internal and External Audit	<ul style="list-style-type: none"> <li>• Annual Report and Accounts</li> <li>• Audit Regulations</li> </ul>
Procurement	The Procurement for 3rdParty Service Providers e.g. Independent Governance & Administration Adviser; Administration Software Provider; Investment Consultants etc	<ul style="list-style-type: none"> <li>• LGPS National Frameworks</li> <li>• Public Procurement Regulations</li> </ul>








2. Funding 		
Training Title	Training Need	Linked to:
Triennial Valuation	An understanding of the Triennial Valuation and Interim Valuation processes and the role of the Fund Actuary including the setting of employer contributions	<ul style="list-style-type: none"> <li>The latest Actuarial Valuation Report</li> <li>Public Service Pensions (valuations and employer cost cap) Directions 2014</li> <li>Annual Interim Review</li> </ul>
Funding Strategy	An understanding of the Essex Pension Fund's Funding Strategy	<ul style="list-style-type: none"> <li>Funding Strategy Statement</li> <li>LGPS Regulations 2013</li> <li>Government Actuary Department (GAD) S13</li> </ul>
Employer Risk	An understanding of the different types of employer including employer risk, eg. employer covenant, and the requirements for employer specific Funding Objectives	<ul style="list-style-type: none"> <li>The latest Actuarial Valuation Report</li> <li>Funding Strategy Statement</li> </ul>
Employing Authority Discretions	The requirements for Employing Authority Discretions and Delegations	<ul style="list-style-type: none"> <li>The latest Actuarial Valuation Report</li> <li>Funding Strategy Statement</li> </ul>
Accounting Standards	How the Fund communicate IAS19/FRS102 requirements to Employers	<ul style="list-style-type: none"> <li>Accounting Standards</li> <li>Communications Policy</li> <li>The Fund's Annual Report and Accounts</li> <li>Audit reports</li> </ul>



3. Investments 		
Training Title	Training Need	Linked to:
Investment Strategy	An understanding of the Fund’s Investment Strategy including the Fund’s Responsible Investment Policy	<ul style="list-style-type: none"> <li>Investment Strategy Statement</li> <li>Responsible Investment Policy</li> <li>Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016</li> </ul>
Cost Transparency	How the Fund review Investment Manager Fees through CEM Benchmarking as part of Cost Transparency	<ul style="list-style-type: none"> <li>Cost Transparency Initiative</li> </ul>
Investment Performance	How the Fund carry out Investment Performance measurement	<ul style="list-style-type: none"> <li>Investment Strategy Statement</li> </ul>
Asset Management	An understanding of the Fund’s Cash Flow arrangements including: the Safeguarding of the Fund’s Assets; the Role of the Global Custodian; and Treasury Management	<ul style="list-style-type: none"> <li>Treasury Management Strategy</li> <li>ACCESS Pooling</li> <li>Investment Strategy Statement</li> </ul>
Pooling	An understanding of the Investment Pooling Collaboration and the Fund’s role within the ACCESS Pool including the roles and responsibilities of the various parties involved within ACCESS	<ul style="list-style-type: none"> <li>Inter-Authority Agreement</li> <li>Investment Strategy Statement</li> </ul>
Regulations	Awareness of relevant statutory guidance and Chartered Institute of Public Finance and Accountancy (CIPFA) Investment Pooling Principles and Markets in Financial Instruments Directive (MiFID II)	<ul style="list-style-type: none"> <li>Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016</li> <li>CIPFA Training Modules</li> <li>MiFID II Directive</li> </ul>



4. Administration 		
Training Title	Training Need	Linked to:
Administration Strategy	An understanding of the Fund’s Administration Strategy and other areas including: Eligibility and Contributions; Additional Voluntary Contributions (AVCs); Transfers and Increasing Benefits; Retirement Benefits; and Annual and Lifetime Allowances	<ul style="list-style-type: none"> <li>Administration Strategy</li> <li>Automatic Enrolment</li> <li>Internal Dispute Resolution Procedure (IDRP)</li> <li>Annual Allowance Legislation</li> <li>AVCs in the LGPS</li> <li>Retirement Planning</li> </ul>
Regulations	Regulatory impacts on the Fund in regard to the wider pensions and LGPS Landscape –Regulatory Reform (including McCloud, £95K Cap, Cost Cap etc)	<ul style="list-style-type: none"> <li>Historic LGPS Regulations</li> <li>Current LGPS Regulations</li> </ul>
Discretions	The requirements for Administering Authority Discretions and what these mean for the Fund	<ul style="list-style-type: none"> <li>Administering Authority Policy on Discretions</li> </ul>
Digital Transformation	An understanding of the Fund’s ambition for greater Digitalisation of the Fund and Digital Transformation and delivery methods and what this involves	<ul style="list-style-type: none"> <li>Business Plan</li> <li>Communications Policy</li> </ul>



## 5. Communications



Training Title	Training Need	Linked to:
Communications	How communications impacts on every area of the Fund's work and how this links into the Fund's Communications Policy	Communications Policy

# Essex Pension Fund

## Training Plan for Board/Committee Members



### Conferences and Seminars

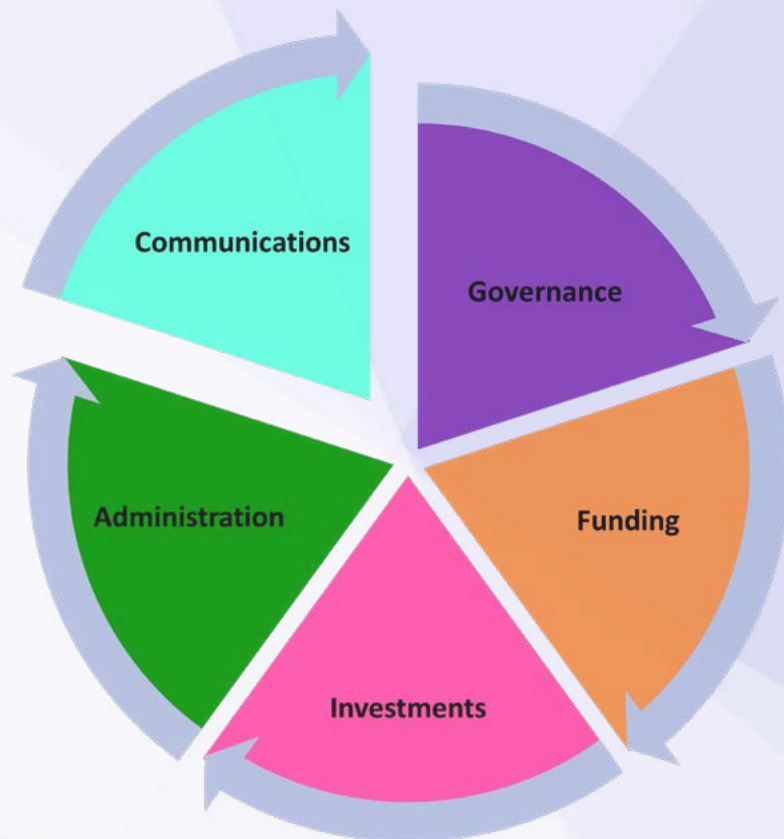
Examples of Board/Committee Conferences is detailed below:

Conference / Seminar	Time of year / frequency	Board / Committee
LGA Annual LGPS Governance Conference	January / Annual	PSB / PAB
LGC Investment Seminar	February / Annual	ISC
CIPFA Local Pension Board Training	February and October / Biannual	PAB
ACCESS Investor Days	April and October / Biannual	ISC
PLSA LA Conference	May / Annual	PSB
LGC Investments & Pension Summit	September / Annual	ISC
Investment & Training Seminar	October / Triennial	ISC
LGA LGPS Fundamentals	October – December / Annual (3x1 day sessions Induction/ Refresher)	PSB / ISC / PAB
LAPFF Members Meetings	Quarterly	ISC Chairman / Vice Chairman
LAPFF Annual Conference	December / Annual	ISC Chairman / Vice Chairman

Essex Pension Fund

# Communications Policy

December 2022





# Essex Pension Fund Communications Policy

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# Essex Pension Fund Communications Policy

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# Essex Pension Fund Communications Policy

## Introduction

This Policy provides an overview of how the Essex Pension Fund communicates with its full range of Stakeholders and how the Fund measures the success of its Communications Policy in conjunction with the Fund's Stakeholder Engagement Strategy.

It also outlines the Fund's continued development to move towards a more digital approach to communications. This Policy should be read in conjunction with the 'Communication Plan' which is detailed in Appendix A of this document along with the Stakeholder Engagement Strategy.



Essex County Council is the Administering Authority responsible for maintaining and managing the Essex Pension Fund on behalf of its Stakeholders; the Scheme Members and Employers Participating in the Fund. These responsibilities are primarily set out in Local Government Pension Scheme (LGPS) Regulations. We work with over 743 Employers across the county to provide pensions to 174,351 Scheme Members (as at 31 March 2022).

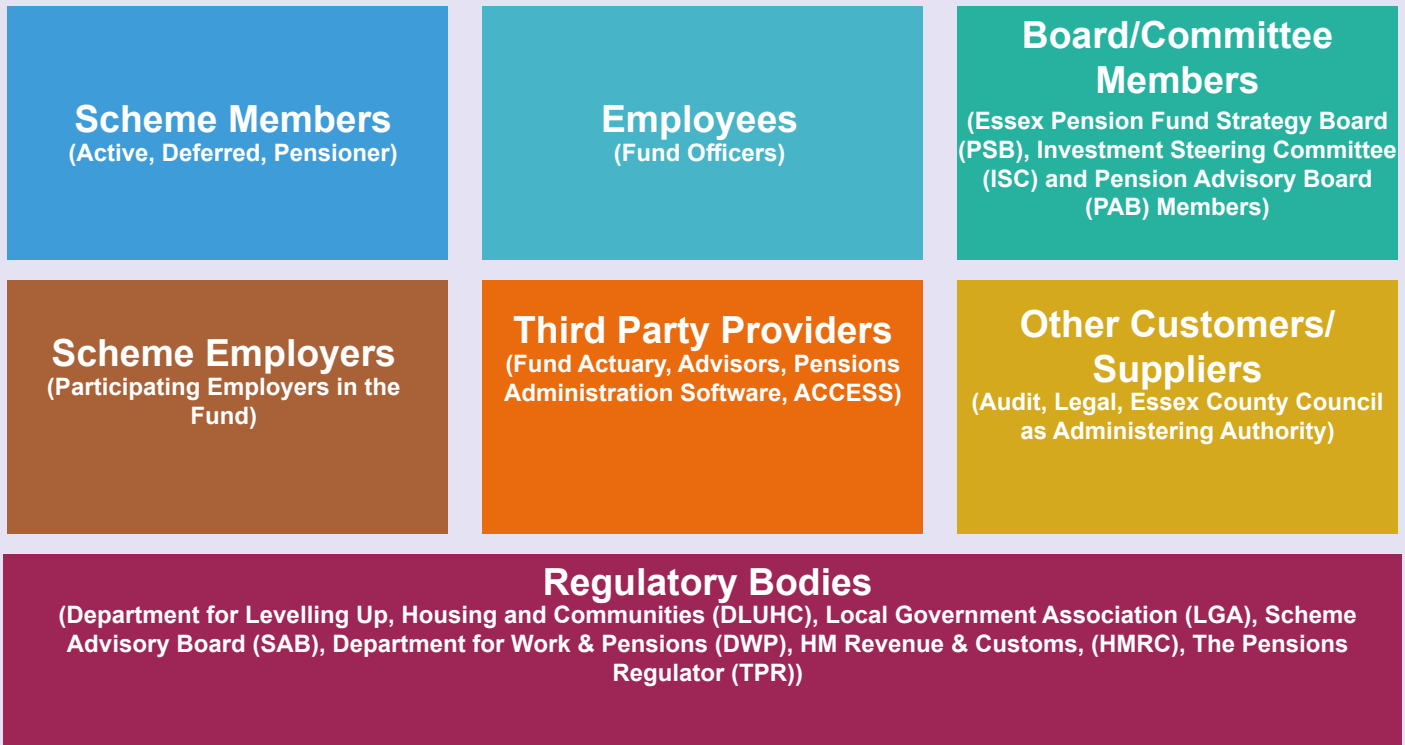
This Policy has been developed in accordance with the LGPS Regulations 2013 (Regulation 61) and will be reviewed every three years and updated sooner if the communications arrangements or other matters included within it merit reconsideration.

**“We continually strive for Excellence, we are always Professional and Friendly We are Essex Pension Fund”**

# Essex Pension Fund Communications Policy

## Key Stakeholders

We have varied audience groups with whom we communicate, including:



This also includes:

- prospective members and members who have opted out;
- prospective employers; and
- other interested groups including the national LGPS Technical Group (Technical Group), South East Counties Superannuation Officers Group (SECSOG) and Advisers to the Fund.

## Objectives

To ensure that we are communicating effectively with our audiences and that we continue to develop and enhance the service we offer, we have set the following communication objectives:

- communicate in a friendly, expert and direct way to our Stakeholders, treating all our Stakeholders equally;
- ensure our communications are useful and easy to follow;
- deliver information in a way that suits all types of Stakeholders including providing more accessibility through greater use of technology; and
- aim for full appreciation of the pension scheme benefits and changes to the Scheme by all Scheme Members, prospective Scheme Members and Employers.



# Essex Pension Fund Communications Policy

## Measuring whether we meet our Communication Objectives

We monitor our success against our communication objectives by analysing and measuring the responses to the Scheme Member and Employer surveys, along with other Stakeholder surveys and monitoring the usage of Member Online, Pensions Online and the Fund's website.



Specific measures and targets are agreed by the Essex Pension Fund Strategy Board (PSB)<sup>1</sup> and contained in the Fund's Scorecard which is regularly reported to the PSB and Essex Pension Fund Advisory Board (PAB)<sup>2</sup>.

## General Communication

When considering how to communicate with our Stakeholders we take into account the intended audience to ensure that our messages are delivered in a useful and easy to follow manner. This may involve using more than one method of communication based on the intended audience albeit the Fund will aim to use digital communications where appropriate given the efficiencies and ease of access it provides, as well as it being more environmentally friendly. We tailor our communication to the recipient's needs, making sure that our messages are clear, consistent and use plain English.

We deliver our communication using the most appropriate method and will continue to develop our digital platforms to encourage greater accessibility to our service for all Stakeholders. Scheme Members will be able to elect not to receive electronic communications. In such cases if the Fund is required to provide information this will be provided in paper form.

Each of our communications have a clear purpose and fit into our overall communications plan, so that they are cost effective.

The Fund actively seeks feedback from each of our audiences to continually review, enhance and improve our communication methods. This feedback is obtained through surveys.

The Fund also adheres to other legislative requirements, including the General Data Protection Regulations (GDPR), Freedom of Information (FOI) Act and pension disclosure legislation.

<sup>1</sup>The PSB is made up of eleven Members: seven Councillor Members of Essex County Council; one Councillor Member representing Borough, City and District Councils in Essex; one Councillor Member representing Southend-on-Sea City and Thurrock Unitary Councils; one Member representing other Employing Bodies; and one Member representing Scheme Members.

<sup>2</sup>The PAB is the Local Pensions Board and is made up of four Scheme Employer representatives and four Scheme Member representatives and a non voting Independent Chairman who act as a critical friend to the PSB.

# Essex Pension Fund Communications Policy

## Visual Identity

The Fund understands that brand recognition is a valuable asset for pension funds, and will work to develop our own visual identity, alongside Essex County Council's existing brand, in order to influence how our Stakeholders relate to us.

Pension funds who have their own style and brand can have a greater impact and their communications are instantly recognisable as being specifically pension related.

*Essex Pension Fund*

## Accessibility

The Fund is committed to ensuring that all Stakeholders are able to access our services, recognising that some individuals may require information to be provided in specific formats. While demand for alternative formats remains low at present, the Fund is able to issue documents in braille, large print or audio format on request.

We are continuing to develop our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) to ensure that it meets the World Wide Web Consortium Accessibility Guidelines (version 2) "Double A" standard. The Fund has also committed a wider review of the website in their three-year Business Plan to help enhance the Fund's communication methods.





# Essex Pension Fund Communications Policy

## Social Media



The Fund recognises the growing importance for organisations to have an online presence and therefore has developed a corporate LinkedIn profile and YouTube channel.

The LinkedIn account is primarily used to raise our online profile not only to our Scheme Members but also in a business to business environment, promoting the Fund's innovations and achievements, and helping build relationships with other LGPS funds and professional bodies within the pensions industry. We also advertise job opportunities within the Fund and vacancies on the PSB and/or PAB.

Our YouTube channel is being used to deliver online learning and development content for Scheme Employers and Scheme Members, increasing accessibility and reducing the economic and environmental impact of attending face to face training events and/or roadshows. In addition, the channel is also used by our Boards/Committee Members to view in-house training to assist the achievement of their Training Plan.



## National Pension Awareness Day

Essex Pension Fund joins with other pension schemes and related organisations across the country each September to encourage Scheme Members, and prospective Scheme Members, to pay attention to their pensions, and to make sure that they are on track for the retirement that they want.

The Fund hosts a mix of virtual and in-person activities, such as webinars, virtual pension surgeries and roadshows, to reach as many members and potential members as possible to give them the opportunity to ask questions to better understand their pension benefits.

## Delivery of Communications

The communications will be delivered from existing resources and overseen by a dedicated Communications Analyst working as part of the Technical Hub.

The Fund will work with an external provider with regards to the printing and mailing of certain bulk communications, such as annual benefit statements.

# Essex Pension Fund Communications Policy

## Active Scheme Members

### Communicating with our Active Scheme Members

The Fund uses a variety of methods to communicate with Scheme Members, and differentiates between active, deferred and pensioner (including dependant) members when delivering key messages to each specific audience groups.

Scheme Members can nominate representatives that the Fund will communicate with on their behalf, subject to the provision of an appropriate letter of authority signed by the Scheme Member.

We want all Scheme Members and their representatives to be able to access our services easily and therefore employ a range of media to educate them about the LGPS and their pension benefits, delivered in a clear and easily understood way to ensure that members can make informed decisions about their benefits.

Throughout all our Communications with our Scheme Members, our key messages to them include:

- Be aware of Pension Transfer Scams;
- Your pension is a valuable benefit;
- It is important that you understand how the LGPS works;
- Make sure you are saving enough for retirement;
- It is important that you understand the impact of any changes in legislation;
- Your employer pays in to help you save for your retirement;
- Remember you have other benefits that come with your pension;
- Before making a decision that will affect your future pension income you should consider seeking independent financial advice; and
- Essex Pension Fund are responsible investors.

**Scheme Literature** – A range of literature including Scheme guides and factsheets are produced by the Fund and is supplied to both Employers and to Scheme Members directly. Copies of all Scheme literature is available on our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk)

**Annual Benefit Statements** – We provide personalised statements to active and deferred Scheme Members (where the address is known) every year. The statements are posted to the member's home address and are available digitally on Member Online. We are working towards digital being the default method for distributing these statements.

**Website** – Our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) includes extensive information and guides about the LGPS, and also contains factsheets, forms and up to date news about the Fund's activities and achievements. In addition, further information regarding the LGPS can be found on the LGPS Member website [www.lgpsmember.org](http://www.lgpsmember.org)

# Essex Pension Fund Communications Policy

## Active Scheme Members

**Member Online** – The Fund has established an online facility (known as Member Online) which allows members to securely access their pension records, including viewing Annual Benefit Statements and payslips, as well as letting them amend details, such as their contact information, and obtain retirement estimates.



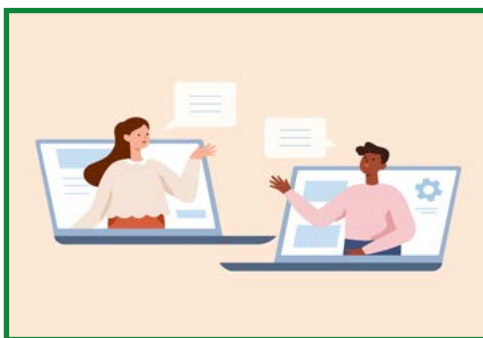
**Telephone Helpline** – A dedicated telephone helpline (0333 0138384) is provided for Scheme Members and is widely publicised in Scheme literature.

**General Correspondence** – The Fund uses both surface mail and e-mail ([pensionenquiries@essex.gov.uk](mailto:pensionenquiries@essex.gov.uk)) to receive and send correspondence.

**Face to Face Meetings** – The Fund operates an open-door policy, and Members are welcome to visit pension fund staff at our offices in County Hall during normal office hours without the need to make an appointment.

**Member Roadshows** – Prior to the Pandemic, the Fund promoted the many benefits of the Scheme by hosting a number of roadshows for current and prospective members at key locations across the county each year, offering drop in sessions to answer queries or presentations on specific topics. The Fund continue to hold these events upon request.

**Pensions Saving Statements** – The Fund issues Pensions Saving Statements to active Scheme Members where their Pensions Savings may have exceeded the Annual Allowance limit for a tax year. The Statements include helpful guidance such as what Members may need to consider doing.



**Virtual Pension Surgeries** - The Fund offers one- to-one video appointments via Microsoft Teams for all scheme members and perspective members. The appointments are available to discuss all aspects of the scheme and to answer any questions the scheme member may have about their pension benefits.

Virtual pension surgeries offer a personal, convenient and environmentally friendly way for scheme members to meet the team face to face.

**Report and Accounts** – The Report and Accounts are produced annually and are made available on the Fund's website.

**Investment Strategy Statement** - The Fund's Investment Strategy Statement (ISS) is reviewed every three-years in conjunction with the Funding Strategy Statement to ensure they aligned. The ISS sets out the principles for governing the Fund's assets and is consulted with a wide range of Stakeholders including Scheme Members.

# Essex Pension Fund Communications Policy

## Scheme Employers

### Communicating with Employers

To assist Employers, the Fund has a range of communication materials and methods that aims to increase their understanding of pension issues and help them fulfill their responsibilities as Scheme Employers. By working together, we are able to provide a better service to our members.

Throughout all our Communications with our Scheme Employers, our key messages to them include:

- Employers have a responsibility to provide employees with information about the LGPS;
- Employers need to understand how the Scheme works and the effect of any changes that happen;
- The LGPS is a valuable benefit for members and the Employer must help educate them to understand the changes and the impact;
- Employers have a responsibility to inform the Fund of any changes to Scheme Members circumstances;
- Employers must pay their pension contributions and their employees' pension contributions to the Fund by the legal deadline as outlined in the Fund's Administration Strategy; and
- Essex Pension Fund are responsible investors.

**Employer Team** – The Fund includes a dedicated Employer Team who liaise with Scheme Employers on all matters from bringing new Employers and Members into the Fund, reporting information to the Fund and fulfilling their regulatory requirements, to advising Employers of the correct process for retiring employees and exiting the Fund.

**Pensions Administration Strategy** – This Strategy provides an overview of how the Fund and Scheme Employers work together to achieve a high-quality service. It aims to set out the quality and performance standards expected of the Fund and its Scheme Employers and to promote good working relationships and improve efficiency between the Fund and its Employers. This Strategy is provided to Employers as part of the Fund's consultation process prior to publication.

**Employer Website** – The Fund website has a section for Scheme Employers. This holds resources such as Employers' guidance, Scheme Employer newsletters and links to LGPS circulars and bulletins.



# Essex Pension Fund Communications Policy

## Scheme Employers

**Funding Strategy Statement** – The Funding Strategy Statement establishes a clear and transparent fund-specific funding strategy which identifies how Employers’ pension liabilities are best met going forward. This Strategy is consulted with Employers during each Triennial Actuarial Valuation cycle.

**Investment Strategy Statement** - The Fund’s Investment Strategy Statement (ISS) is reviewed every three-years in conjunction with the Funding Strategy Statement to ensure they aligned. The ISS sets out the principles for governing the Fund’s assets and is consulted with a wide range of Stakeholders including Scheme Members every three years.

**Employer Guidance** – The Fund has produced and maintains a variety of guidance to assist scheme employers to understand their role. This guidance is supplemented by the LGA guides for HR and for Payroll which are accessible on the Fund’s website and on the [www.lgpsregs.org website](http://www.lgpsregs.org).



**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.

**E-mail 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 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.

**Employer Forum** – The Fund holds an Employer Forum/Webinar periodically which focuses on funding, valuation and administration aspects of the Fund and any developments in the Scheme including identifying the likely impact of Scheme changes.





# Essex Pension Fund Communications Policy

## Scheme Employers

**Training Workshops** – 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. The Fund is developing the provision of training modules via its own YouTube channel to increase accessibility for Employers.



**Pensions Online** - The Fund has also developed an online platform which allows Employers to update their employee's pension records electronically. Employers are able to provide us with information relating to new Scheme Members, notify us of changes in hours or breaks in service, as well as providing leaving details in a safe and secure way, while delivering increased cost efficiency. We anticipate that Pensions Online will eventually provide a secure online hub where Employers will be able to locate all necessary resources, information and correspondence from the Fund and its use will become compulsory for all Employers.



# Essex Pension Fund Communications Policy

## Prospective Members

### Communicating with Prospective Members

The Fund works with Employers to promote the LGPS and reduce the number of members opting out of the Scheme, particularly after automatic enrollment.

Throughout all our Communications with our Prospective Members, our key messages to them include:

- It is important that you understand the impact of any changes in legislation including Pension Reform and Automatic Enrollment;
- The LGPS is a good way to save for your retirement;
- Your Employer pays in to help you save for your retirement;
- Most Scheme Members get tax relief on the contributions they pay into the LGPS;
- Remember that other benefits come with the pension;
- Before making a decision that will affect your future pension income you should consider seeking independent financial advice;
- The 50/50 Scheme costs less to join but still provides valuable benefits; and
- Be aware of Pension Transfer Scams.

**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.

**Website** – The Fund's website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) contains information on Scheme details, leaflets, guides and forms etc and a 'Joining the Scheme' section which summarises the main benefits provided by the LGPS. There are also links to other organisations relevant to Scheme Members.

**Telephone Helpline** – A dedicated telephone helpline (0333 0138384) is provided for Scheme Members and prospective Members which is widely publicised in Scheme Information / guides.

**General Correspondence** – The Fund uses both surface mail and e-mail ([pensionenquiries@essex.gov.uk](mailto:pensionenquiries@essex.gov.uk)) to receive and send correspondence.

**Pensions Roadshow** – Pension roadshows take place at the offices of main Employers in the Fund to which the employees of all Fund Employers were invited. These events are aimed at Scheme Members and eligible employees who were not currently contributing to the Scheme. The Fund continues to hold these events upon request.

# Essex Pension Fund Communications Policy

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## Prospective Members

**Virtual Pension Surgeries** - The Fund offers one-to-one video appointments via Microsoft Teams for all scheme members, including perspective members and those who have previously opted out. The appointments are promoted with all scheme employers and via our website, and anyone with questions about the scheme or their benefits are encouraged to book a session.

# Essex Pension Fund Communications Policy

## Deferred Scheme Members

### Communicating with Deferred Scheme Members

Throughout all our Communications with our Deferred Scheme Members, our key messages to them include:

- Your pension is a valuable benefit;
- Make sure you are saving enough for retirement;
- Keep your details up to date;
- You need to understand how your pension worked when you left;
- It is important to understand how the LGPS works now, and the impact of any changes in legislation;
- Understand the implications of transferring out of the Scheme;
- Be aware of Pension Transfer Scams;
- We will tell you if anything changes; and
- Before making a decision that will affect your future pension income you should consider seeking independent financial advice.

**Scheme Literature** – A range of literature including Scheme guides and factsheets are produced by the Fund and is supplied to both Employers and to Scheme Members directly. Copies of all Scheme literature is available on our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk)

**Annual Benefit Statements** – We provide personalised statements to active and deferred Scheme Members (where the address is known) every year. The statements are posted to the member's home address and are available digitally on Member Online. We are working towards digital being the default method for distributing these statements.

**Website** – Our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) includes extensive information and guides about the LGPS, and also contains factsheets, forms and up to date news about the Fund's activities and achievements. In addition, further information regarding the LGPS can be found on the LGPS Member website [www.lgpsmember.org](http://www.lgpsmember.org)

**Member Online** – The Fund has established an online facility (known as Member Online) which allows members to securely access their pension records, including viewing Annual Benefit Statements and payslips, as well as letting them amend details, such as their contact information, and obtain retirement estimates.

**Telephone Helpline** – A dedicated telephone helpline (0333 0138384) is provided for Scheme Members and is widely publicised in Scheme literature.

# Essex Pension Fund Communications Policy

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## Deferred Scheme Members

**General Correspondence** – The Fund uses both surface mail and e-mail ([pensionenquiries@essex.gov.uk](mailto:pensionenquiries@essex.gov.uk)) to receive and send correspondence.

**Virtual Pension Surgeries** - The Fund offers one- to-one video appointments via Microsoft Teams for all scheme members and perspective members. The appointments are available to discuss all aspects of the scheme and to answer any questions the scheme member may have about their pension benefits.

# Essex Pension Fund Communications Policy

## Pensioner Members

### Communicating with our Pensioner Members

Throughout all our Communications with our Pensioner Members, our key messages to them include:

- Keep your details up to date;
- We are here to help with any questions you might have;
- Your pension is protected by legislation;
- Remember to phone the tax office with any tax queries you have;
- Remember you have other benefits with your pension;
- Before making a decision that will affect your future pension income you should consider seeking independent financial advice; and
- Essex Pension Fund are responsible investors.

**Website** – Our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) includes extensive information and guides about the LGPS, and also contains factsheets, forms and up to date news about the Fund's activities and achievements. In addition, further information regarding the LGPS can be found on the LGPS Member website [www.lgpsmember.org](http://www.lgpsmember.org)

**Member Online** – The Fund has established an online facility (known as Member Online) which allows members to securely access their pension records, including viewing Annual Benefit Statements and payslips, as well as letting them amend details, such as their contact information, and obtain retirement estimates.

**Telephone Helpline** – A dedicated telephone helpline (0333 0138384) is provided for Scheme Members and is widely publicised in Scheme literature.

**General Correspondence** – The Fund uses both surface mail and e-mail ([pensionenquiries@essex.gov.uk](mailto:pensionenquiries@essex.gov.uk)) to receive and send correspondence.

**Pensions Saving Statements** – The Fund issues Pensions Saving Statements to active Scheme Members where their Pensions Savings may have exceeded the Annual Allowance limit for a tax year. The Statements include helpful guidance such as what Members may need to consider doing.

**Pay Advices and P60s** – We issue pay advices to pensioner members every April and May plus if there is a change to the member's monthly net pension of more than £5.00 or a tax code change. The pay advices are also used to convey important generic messages to pensioners.

**Investment Strategy Statement** - The Fund's Investment Strategy Statement (ISS) is reviewed every three-years in conjunction with the Funding Strategy Statement to ensure they aligned. The ISS sets out the principles for governing the Fund's assets and is consulted with a wide range of Stakeholders including Scheme Members.

# Essex Pension Fund Communications Policy

## Dependant Members

### Communicating with our Dependant Members

Throughout all our Communications with our Dependant Members, our key messages to them include:

- Keep your details up to date;
- We are here to help with any questions you might have;
- Your pension is protected by legislation;
- Remember to phone the tax office with any tax queries you have; and
- Before making a decision that will affect your future pension income you should consider seeking independent financial advice.

**Website** – Our website [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk) includes extensive information and guides about the LGPS, and also contains factsheets, forms and up to date news about the Fund's activities and achievements. In addition, further information regarding the LGPS can be found on the LGPS Member website [www.lgpsmember.org](http://www.lgpsmember.org)

**Member Online** – The Fund has established an online facility (known as Member Online) which allows members to securely access their pension records, including viewing Annual Benefit Statements and payslips, as well as letting them amend details, such as their contact information, and obtain retirement estimates.

**Telephone Helpline** – A dedicated telephone helpline (0333 0138384) is provided for Scheme Members and is widely publicised in Scheme literature.

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# Essex Pension Fund Communications Policy

## Communicating with Boards/Committee Members

Essex Pension Fund is run by Essex County Council (ECC), the Administering Authority for the LGPS in Essex. The governance arrangements centre on the three bodies; PSB, Essex Pension Fund Investment Steering Committee (ISC) and PAB.

The Fund works closely with the PSB, ISC and PAB to ensure that they are fully informed on pensions matters and have sufficient knowledge and skills to fulfil their duties and responsibilities, including providing ongoing training for Board and Committee Members.



The PSB, ISC and PAB each meet on a quarterly basis, and details of upcoming meetings, including the public meeting packs provided to the PSB, ISC and PAB Members, can be found on the [Essex County Council's website](#).

## Communicating with Pension Fund Staff



It is important that our staff are kept informed about the Fund's aims, achievements and the progression of the Business Plan. They should also be knowledgeable about the LGPS and aware of important changes within the overall pensions industry.

Staff members are able to access technical information via websites, a centralised database and through both internal training opportunities and external training events. Updates are provided to staff using a range of methods including by email, via regular newsletters, pension surgeries and face to face meetings with the Fund's Technical Hub and Management Team.

## Consultations

Essex Pension Fund consults with Stakeholders on changes to policies and procedures that affect the Fund and its Stakeholders, some of which the Fund is required to carry out by Law and others the Fund chooses to do such as:

- Investment Strategy Statement;
- Funding Strategy Statement; and
- Administration Strategy.

In addition, the Fund also responds to National Consultations including but not limited to:

- The Pensions Regulator (TPR);
- Department for Levelling Up, Housing and Communities (DLUHC); and
- Scheme Advisory Board (SAB).

# Essex Pension Fund Communications Policy

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## Key Risks

The key risks to delivering this Policy (as set out in the Fund's Risk Register) are outlined below. The Senior Management Team led by the Director for Essex Pension Fund work with the PSB and PAB to monitor these and other risks and consider how best to respond to them:

- as a result of failing to implement and align all processes by following the Communication Policy leading to the Fund issuing incorrect or inaccurate communications resulting in a lack of understanding and/or complaints from stakeholders;
- as a result of failing to deliver information in an appropriate way for Members or Employers, e.g., too complex, not relevant or in an unsuitable format, could lead to misunderstanding and complaints resulting in reputational damage;
- due to communications not customised to specific needs and/or are overly complicated could result in a lack of understanding by all stakeholders, which would cause reputational damage;
- failure to review and update Essex Pension Fund (EPF) Website could result in scheme members, prospective scheme members and employers being unaware of scheme changes which could cause a decline in new membership and/or members/employers exiting the scheme early.

## Approval, Review and Consultation

This version of the Communications Policy was approved at the PSB on 07 December 2022. It will be formally reviewed and updated at least every three years or sooner if the communications arrangements or other matters included within it merit reconsideration.

## Further Information

If you require further information about anything in or related to this Communications Policy, please contact:

Amanda Crawford, Head of Fund Compliance & Governance  
Email - [Amanda.crawford@essex.gov.uk](mailto:Amanda.crawford@essex.gov.uk)

Jody Evans, Director for Essex Pension Fund  
Email - [Jody.evans@essex.gov.uk](mailto:Jody.evans@essex.gov.uk)

Essex Pension Fund  
Seax House  
County Hall  
Chelmsford  
Essex  
CM1 1QH

## General Enquiries

Telephone: 03330 138384

Email: [pensionenquiries@essex.gov.uk](mailto:pensionenquiries@essex.gov.uk) | [www.essex.gov.uk](http://www.essex.gov.uk) | [www.essexpensionfund.co.uk](http://www.essexpensionfund.co.uk)

Method	Audience	Format	Frequency
YouTube Videos	All	Website	Always available
Drop in Service	All	Face to Face	Monday - Friday: 10am - 3pm <i>(Pre-booked appointments are available outside these hours)</i>
Factsheets and Scheme Guides	All	Website	Always Available
Website	All		Always Available
Phone	All		Monday - Thursday: 8.30am - 5.30 pm Friday: 8.30am - 5pm
Pension Fund Report and Accounts	All	Website	Annually
Pensions Saving Statements	Active Scheme Members	Paper version posted to home address	Annually if applicable to scheme member
Annual Benefit Statement	Active and Deferred Members	Paper version posted to home address. Electronic version via Member Online	Annually
Member Roadshow	Active and Prospective Members	Face to Face	On request
Virtual Pension Surgeries	Active, Deferred and Prospective Members	Virtually via Microsoft Teams	Quarterly
Pay Advices	Pensioner Members	Paper version posted to home address, also available via Member Online	April and May plus after change in net value of more than £5 or tax code change
Pension Increase Letters	Pensioner Members	Paper version posted to home address	Annually

Method	Audience	Format	Frequency
P60s	Pensioner Members	Paper version posted to home address, also available via Member Online	Annually
Retirement Roadmap	Pensioner Members	Paper version posted to home address	On request of retirement
Employer Workshop	Employers	Face to Face and/or webinar	On request
Employer Guides	Employers	Website Email	Always available
Pensions Administration Strategy	Employers	Website	Always available (reviewed at least every 3 years)
Pension Fund Valuation Reports	Employers	Website Email	Always available
Employers Forum	Employers	Face to Face Webinar	Annually
Employer Newsletter	Employers	Website Email	Quarterly

# Essex Pension Fund

## Glossary

March 2023



# Essex Pension Fund

## Glossary

Term	Definition
Abatement	A discretion whether to reduce or suspend a pension in payment when a pensioner is re-employed.
ACCESS Pool	A Collaboration of Central, Eastern, and Southern Shires (ACCESS) is a collaborative partnership between 11 Local Government Pension Scheme (LGPS) Administering Authorities working together collectively to invest assets to significantly reduce investment costs whilst maintaining investment performance.
ACCESS Support Unit (ASU)	A team of five Officers established in 2018 to support the ACCESS Pool.
Accounts & Audit Regulations 2015	Regulations setting out the requirements for the annual accounts.
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.
Accrual rate	The formula used to describe the rate at which you build up pension benefits whilst a member of the Local Government Pension Scheme (LGPS) (whether under the final salary or CARE elements of the scheme).
Active Annual Benefit statement (ABS)	Active members receive an Annual Benefit Statement detailing the current value of their pension benefits held with the Essex Pension Fund, and a projection of benefits at normal pension age.
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).
Actuarial Assumptions	Is an estimate of an uncertain variable input into a financial model, normally for the purposes of calculating premiums or benefits.
Actuarial Valuation	This is a formal fund Valuation also known as the Triennial Valuation which is carried out every three years by an Actuary. The purpose of an Actuarial Valuation is to set appropriate contribution rates for each Employer in the Fund for a period of three years, as required under Regulation 62 of the LGPS Regulations.



# Essex Pension Fund

## Glossary

Term	Definition
Actuary	Appointed by the Essex Pension Fund Strategy Board (PSB) utilising the LGPS National Framework Procurement Process, an independent consultant, who carries out a full Actuarial Valuation of the Fund and recommends appropriate Employer contribution rates every three years. They also provide advice and support on Funding matters and primarily the Funding Strategy.
Additional Pension Contributions (APC)	Method to buy extra pension, up to a maximum value of £7316.00. There is the choice to spread the payments over several complete years or by paying a lump sum. This attracts tax relief at source through Payroll (except lump sum payment - arrange tax relief directly with HMRC).
Additional Voluntary Contributions (AVC)	An option available to Scheme Members to provide additional pension benefits by making regular additional payments.
Administering Authority	A local authority which has responsibility for managing all aspects of an LGPS fund, e.g. Essex County Council (ECC) for Essex Pension Fund (EPF).
Administration Strategy	Sets out the service standards for the administration functions of the Fund including the responsibilities of the Administering Authority and Employers.
Admission Agreement	An agreement between the Administering Authority, letting authority (if relevant) and Employer which grants access to the LGPS. It sets out the terms of the Employer's participation in the Fund.
Admission Bodies	Bodies (Employers) whose staff can become Members of the Pension Fund by virtue of an Admission Agreement made between the Authority and relevant Body.
Advisers	Specialists contracted to provide professional support to the Fund such as actuaries and investment consultants.
Aggregation	Where a Scheme Member builds up LGPS benefits with a number of Employers in the LGPS, they may be able to combine these into a single pot.
Anglia Ruskin University (ARU)	An Employer in the Fund.
Annual Allowance (AA)	The amount of all Scheme Members' pension pots can grow by each year with the benefit of tax relief.

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Annual outperformance from managers	Actual annual return of managers less actual annual return of the respective benchmark measures.
Annualised efficiency (total return/risk)	Expected return of the Funds' assets divided by expected volatility of the assets returns. This measures the expected benefit of taking the risk exposure.
Annualised Return	The rate of return for any given period expressed as the equivalent average return per year.
Annuity	Product where a person receives a series of payments in exchange for an upfront sum of money.
AON	Independent Governance and Administration Adviser to the Fund (see IGAA).
Appointment Sub Committee (ASC)	This Committee can be established by the approval of the Essex Pension Fund Strategy Board (PSB) or Investment Steering Committee (ISC) as and when required to carry out the Procurement Process to appoint Advisers to the Fund, investment managers and where appropriate Scheme Employers and Members to the PSB.
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.
Assets	Types of assets include equities, bonds, property, and cash.
Assets Under Management (AUM)	Is the total market value of the investments that a person or entity manages on behalf of clients.
Assumed Pensionable Pay (APP)	This provides a notional pensionable pay figure to ensure your pension is not affected by any reduction in pensionable pay due to a period of sickness or injury on reduced contractual pay or no pay, or relevant child related leave or reserve forces service leave. Assumed pensionable pay is also used to work out any enhancement to your pension awarded as a result of ill health retirement, any lump sum death grant following death in service, and any enhancement which is included in survivor benefits following death in service.

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Automatic Enrolment	A Government initiative whereby Employers are required to automatically enrol eligible workers/new starters into the relevant Pension Scheme and contribute to it. The worker can decide to opt out of the Pension Scheme; however, the Employer is required to re-enrol them back into the Scheme every three years. The onus is on the worker/new starter to decide whether to remain in the Scheme or opt out on each occasion.
Beneficiary	The person/s who will receive a pension when a member dies.
Business As Usual (BAU)	The ordinary operations of a company or organization.
BDO LLP	External Auditors appointed to audit Essex Pension Fund accounting procedures from 2018/19 to 2022/23.
Benchmark	A yardstick against which the investment policy or performance of a fund manager can be compared.
Best estimate return	Expected return per annum based on the median simulation for the Fund's current investment strategy over a 20 year period.
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.
Breaches Log	A log kept by each LGPS fund of any incidents breaking or failing to observe a law, agreement or code of conduct whether reported to The Pensions Regulator (TPR) (or other regulator or enforcement agency) or not.
Budget	The Fund's budget is an estimation of the Fund's expenses over the reporting Financial Year and is reported to the Essex Pension Fund Strategy Board (PSB) on a quarterly basis.
Business as Usual (BAU)	An ongoing and unchanging state of affairs despite difficulties or disturbances.
Business Continuity Plan (BCP)	A plan for how the Fund will continue to operate following significant disruption such as a fire in the regional fund's offices.

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Term	Definition
Business Plan	Formally documents the priorities that the Fund will aim to deliver over the next three years.
Buy Out	The purchase of a more mature company usually as part of a private equity deal.
Carbon Footprint	Carbon footprints are the result of emissions calculations, including carbon dioxide. It gives a breakdown of what volumes of greenhouse gas emissions are released through an activity, a process, or a service.
Carbon Offset Opportunities Fund (COOF)	The Stafford Carbon Offset Opportunity Fund look to invest in afforestation, natural forest restoration and improved forest management projects on a global basis.
Career Average Revalued Earnings (CARE)	From 1 April 2014 the LGPS became a CARE scheme. It is the method used to calculate member's pension contributions yearly, by taking member's earnings from April to March, dividing by 49 (full time employees). If part time and in 50/50 section it is divisible by 98. The amount is then applied to the member's pension account and the total pension is inflation proofed each year (adjusted to take into account the cost of living measured by the CPI).
Cash	Cash is defined as cash instruments and cash in bank and at hand.
Capital Structure	How a company is financed through equity and debt.
CEM	CEM benchmarking, a company that provides cost and performance analysis for pension funds.
Cessation Valuation (Exit Valuation)	A valuation carried out when an employer leaves the LGPS (i.e. they no longer have any active members) to determine whether the employer owes their fund any money or whether the fund's administering authority will need to make a determination as to the level of money to pay back to the employer.
Chartered Institute of Public Finance and Accountancy (CIPFA)	Professional accountancy body for people in public finance. CIPFA members working throughout the public services and other bodies where public money needs to be effectively and efficiently managed, can study and attain a CIPFA qualification.

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Civil Partnership	A civil partnership is a legal relationship which can be registered by two people who aren't related to each other. Civil partnerships are available to both same-sex couples and opposite-sex couples. Registering a civil partnership will give your relationship legal recognition.
Class Actions	A class action is a collective claim in which the court awards permission to an individual or individuals to bring the claims of others similarly situated (the class members) in a single case.
Climate Metrics	Method used to measure climate risks.
Climate Related Risk	Climate related risks are created by a range of hazards. Some are slow in their onset (such as changes in temperature and precipitation leading to droughts, or agricultural losses), while others happen more suddenly (such as tropical storms and floods).
Club Transfer	Transfers to/from other public service pension schemes such as the NHS, Police, etc. known collectively as the "Transfer Club".
Codes of Practice (COP)	The Pensions Regulator's codes of practice give practical guidelines on how to comply with the legal requirements of pensions regulations.
Cohabiting Partner	Two people, who are unmarried or not in a civil partnership living together in a long-term relationship but without being legally married.
Compliance Team	The Funds Compliance Team are accountable for the delivery of the Governance Policy and Compliance Statement which incorporates the Fund's Policies and Publications. They are responsible for the implementation and oversight of the Governance arrangements in place for the Fund's Boards and Committee. They closely monitor achievements against objectives and manage risk and performance against Key Performance Indicators (KPI).
Competitions and Markets Authority (CMA)	Promotes competition for the benefit of consumers. Sets out requirements for measuring and managing the performance of investment consultants.
Consumer Price Index (CPI)	The official measure of inflation of consumer prices in the United Kingdom. This is the measure used to increase (every April) the value of pension for active, deferred and any pension in payment from the Scheme. The adjustment ensures the pension keeps up with the cost of living.

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Term	Definition
Contracting Out	From 6 April 1978 to 5 April 2016 members of the Local Government Pension Scheme (LGPS) paid a reduced rate of National Insurance contribution by virtue of being “Contracted out” of State Earnings Related Pension Scheme (SERPS) – known later as the State Second Pension or S2P. From 6 April 2016, members of the LGPS have not been “con-tracted out” and have been paying the full rate of Na-tional Insurance contributions. The additional amount that an individual may be required to pay will depend on their salary.
Contrarian Investing	An investment style in which investors purposefully go against prevailing market trends by selling when others are buying and buying when most investors are selling.
Controversial weapons	Any controversial weapons (such as cluster bombs, anti-personnel mines, chemical or biological weap-ons) which are prohibited under applicable interna-tional treaties or conventions.
Convertible Stock	Stock which gives the holder the right, but not the obligation, to convert all or part of the holding into an-other stock or stocks on specified dates and on specified terms.
Corporate Actions	Any activity that brings material change to an organi-sation and impacts its stakeholders, including share-holders, both common and preferred, as well as bondholders.
Corporate Bonds	Bonds issued by companies and traded on public markets.
Corporate Governance	The system of rules, practices, and processes by which the Fund is directed and controlled. Corporate Governance ensures that the Fund has appropriate decision-making processes and controls in place so that the interests of all Scheme Members, Employers and Employees are balanced.
Cost Management, Benefit Design and Administration Committee	Sub-Committee of the Scheme Advisory Board (SAB) in relation to Local Government Pension Scheme (LGPS) matters associated with Cost Man-agement, Benefit Design and Administration.
Currency Trading	The Buying and Selling of world currencies.



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Term	Definition
Custodian	A custodian or custodian bank is a financial institution that hold customers' securities for safekeeping to prevent them from being stolen or lost. The custodian may hold stocks or other assets in electronic or physical form. Northern Trust continue to fulfil this role for Essex Pension Fund being reappointed from 1 September 2021.
Custody	The 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 client's instructions.
Customer and Contact Team	The Funds Customer and Contact Team are the first point of contact for all Scheme Members and Employers including enquiries in relation to the investigation of transfers into the scheme, aggregations and estimates of benefits.
Cyber Security	The application of technologies, processes and controls to protect systems, networks, programs, devices and data from cyber attacks. All LGPS funds should be addressing cyber security risks.
Cyclical	Refers to sensitivity of a stock to the market cycle (i.e. in expansion or contraction of the economy).
Cyclical Investing	A strategy that puts money into sectors of the economy according to the stage of the economic growth cycle. During recessions or times of slow growth, more conservative investments are appropriate, while the reverse is true in time of fast economic growth.
Data Improvement Plan	A plan for improving any areas of a regional fund's data that may not be up to the expectation of the fund or The Pensions Regulator (TPR).
Deferred and Pre-Retirement Team	The Funds Deferred and Pre-Retirement Team are accountable for overseeing the successful transition of Scheme Members from active to deferred or refund status at the point of leaving employment across all Police, Fire and the LGPS Pension Schemes.
Deferred Debt Arrangement (DDA)	An arrangement made with Liquidators of an Employer who have accrued liabilities to recover the debt owed to the Fund over a set period of time.

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Term	Definition
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 normal retirement age.
Deferred Benefit Statement (DBS)	All deferred members receive an annual benefit statement which details the current value of their pension benefits held with the Essex Pension Fund.
Defined Benefits	The LGPS is a defined benefits scheme which is set out in law. The pension is worked out every year and added to the member's pension account which attracts CPI. It is secure and provides Scheme Members with guaranteed future income.
Department for Levelling Up, Housing and Communities (DLUHC)	From September 2021, became the new Central Government Department which is responsible for the strategic management and policy making regarding the Local Government Pension Scheme (LGPS) in England and Wales which was previously called Ministry of Housing, Communities and Local Government (MHCLG).
Department for Work and Pensions (DWP)	Ministerial department responsible for welfare, pensions and child maintenance policy.
Derivatives	Financial Instruments whose value derives from an underlying asset. Futures/Forwards are among the most common.
Diversity	Any dimension that can be used to differentiate groups and people from one another. It's about empowering people by respecting and appreciating what makes them different, in terms of age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin.
Diversification level	Predicted volatility of the Fund's assets returns divided by predicted volatility of an equity only portfolio. A lower number indicates better diversification relative to an equity only mandate.
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 a company decide how much dividend is to be paid and when. The dividend is neither automatic nor guaranteed for ordinary shareholders
Duration	A measure of the average expected life of an investment that indicates sensitivity to interest rate charges.

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Term	Definition
Eligible dependent children	This includes biological children, adopted children and certain other children who depend on an individual financially. They must normally be under 17, but can be as old as 23 if they carry on in full time education. It can even cover some adult children who cannot work because of a disability.
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.
Employer Team	The Funds Employer Team are responsible for the initial onboarding of Employers into the Fund. They manage and supply information to the Funds Actuary, Barnett Waddingham, for various reporting requirements.
Employer Risk	The risk associated with an Employer in proportion to the Fund as a whole.
Employing Authority Discretions	Power given by the LGPS to enable the Employer or the Administering Authority to choose how they apply the Scheme in respect of certain provisions e.g. whether to allow employees flexible retirement, whether to waive all or part of any actuarial reduction where a member takes benefits before their normal pension age (except for ill health, redundancy and business efficiency retirements), grant early payment of deferred benefits and whether they will waive any reductions. Under the LGPS the Employer or the Administering Authority are obliged to consider how to exercise their discretion and, in respect of some (but not all) of these discretionary provisions, to have a written policy on how they will apply their discretions. They have a responsibility to act with 'prudence and propriety' in formulating their policies and must keep them under review.
ESG	ESG stands for Environmental, Social, and Governance. Investors are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities.
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.
Equity manager styles	'Style' refers to the type of stocks a manager will typically research and select for portfolios. It is important to diversify these 'styles' in order to manage concentration risks.

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## Glossary

Term	Definition
Essex County Council (ECC)	The County Council that governs the non-metropolitan county of Essex consisting of 14 District, Borough, City and Unitary Councils in Essex who provide services like schools, roads, adult's and children's social care. ECC is the Administering Authority responsible for maintaining and managing the Essex Pension Fund on behalf of the Scheme Members and Employers participating in the Fund.
Essex Pension Fund (EPF)	Is one of eighty-six funds which make up the LGPS in England and Wales. It is one of the largest LGPS funds in the country with over 700 separate Employing Bodies contributing to the Fund together with their employee's contributions. Which in turn are invested and the assets used to provide pension benefits.
Essex Pension Fund Advisory Board (PAB)	The PAB was approved by ECC in February 2015 to assist the Administering Authority as Scheme Manager to secure compliance with the LGPS regulations and other legislation relating to Governance and Administration of the LGPS. It acts as a "critical friend" to the PSB and ISC and consists of 9 Members (4 Employer Representatives, 4 Scheme Member Representatives, and 1 Independent non-voting Chairman).
Essex Pension Fund Investment Steering Committee (ISC)	The Sub-Committee of the Essex Pension Fund Strategy Board (PSB) and consists of the 7 ECC elected Council Members (including Chairman) that sit on the PSB along with 2 Observers (1 Scheme Member (UNISON) and 1 Scheme Employer) who also sit of the PSB. The ISC approves and reviews the asset allocation benchmark for the Fund; appoints, monitors, and terminates Investment Managers; reviews and monitors the Fund's aims, Objectives, Policies, Strategies, and procedures relating to the investment of the Fund's assets.
Essex Pension Fund Strategy Board (PSB)	Ensures the proper Governance and Administration of the Fund in all aspects and monitors and oversees the work of the ISC. It consists of 7 elected ECC Members along with 4 Representatives of the Scheme (1 Member representing District, City, and Borough Councils in Essex, 1 Member representing Unitary Councils in Essex, 1 Member representing Scheme Members nominated by UNISON, and 1 Member representing Other Employing Bodies).
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.

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Term	Definition
External Audit	Externally employed auditor who reports on the accuracy of the accounts. Their final opinion must be included in a fund's accounts.
Final Pay	The pay an individual receives in the last year up to leaving, that they pay pension contributions on.
Financial Conduct Authority	Regulates financial markets and participants in those markets.
Financial Reporting Council (FRC)	Regulates auditors, accountants and actuaries as well as setting the UK's Corporate Governance and Stewardship Codes.
Financial Reporting Standard (FRS)	One of a set of rules created by the Accounting Standards Board that state how a company's financial information has to be shown, e.g. FRS102 relates to Annual Pension Accounting Reporting within an Employer's Accounts.
Financial Statements	The term used for the Fund's Annual Accounts.
Financial Times Stock Exchange (FTSE)	The FTSE Group is a financial organisation that specialises in the management of asset exchanges and creating index offerings for the global financial markets.
Fire Brigades Union (FBU)	The Fire Brigades Union is the democratic, professional voice of firefighters and other workers within fire and rescue services across the UK.
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.
Flexibilities	Flexibilities have been introduced to provide an option to those Employers that face the challenge of no longer being able to afford to continue to build up future liabilities, but who also cannot afford to pay the exit payment as a single payment. Spreading the payment may enable them to exit in an orderly manner to the benefit of all the Employers and the Fund.
Freedom of information (FOI)	Members of the general public's right to access information held by public authorities.

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Term	Definition
Full Cessation	Under a DDA Deferred Debt Arrangement the Employer can continue to pay past service contributions in one lump sum.
Fund Account	Sets out the cashflows into and out of the Fund including contributions received, transfers into/out of the Fund, benefits paid to Scheme Members and the cost of managing the Fund.
Fundamental bottom-up analysis	A bottom-up investing approach focuses on the analysis of individual stocks. In bottom-up investing, therefore, the investor focuses his or her attention on a specific company rather than on the industry in which that company operates.
Funding Level	The level at which the Fund's assets can meet its liabilities. The ultimate aim is to achieve 100%.
Funding Strategy Statement (FSS)	The purpose of the FSS is to establish a clear and transparent fund-specific strategy which would identify how employers' pension liabilities are best met going forward.
Fund of funds	A fund that invests in multiple underlying funds.
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.
Gainful employment	Is defined in the Scheme rules as any type of paid work, for at least 30 hours a week over a period of at least 12 months.
General Data Protection Regulations (GDPR)	Regulations aimed at protecting personal data. All LGPS funds must abide by GDPR. There can be severe consequences for failing to meet the requirements.
Gilt-edged Securities (Gilts)	Bonds, debt securities issued by the British Government.
Global Real Estate Sustainability Benchmark (GRESB)	Asses and benchmarks the Environmental, Social and Governance (ESG) performance of real assets providing standardised and validated sustainability.
Governance Compliance Statement	A statement included in the regional fund's annual report that reports on governance measures set out in MHCLG/DLUHC guidance.
Governance Effectiveness Review	Is a piece of work the Fund's Independent Governance and Administration Adviser (IGAA) undertakes every two years to ensure the Fund's Governance arrangements are robust.



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Term	Definition
Government Actuary's Department (GAD)	Advise Government on policy initiatives and are appointed to review LGPS Actuarial Valuations under Section 13 (Public Services Pensions Act 2013) to ensure compliance, consistency, solvency, and long-term cost efficiency.
Gross Domestic Product (GDP)	Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health.
Growth	A company's earning potential relative to its industry and the overall market.
Growth Assets	Assets which are generally expected to have comparably higher expected return and volatility of return when compared to other available asset classes. An example of a growth asset is equities.
Guaranteed Minimum Pension (GMP)	The LGPS guarantees to pay a pension that is at least as high as an individual would have earned had they not been contracted out of the State Earning Related Pension Scheme (SERPS) at any time between 6 April 1978 and 5 April 1997. This is called the GMP.
Her Majesty's Revenue and Customs (HMRC)	Is a non-ministerial department of the UK Government responsible for the collection of taxes, that pays for the UK's public services and help families and individuals with financial state support. The administration of other regulatory regimes, e.g. Customs and Excise, National Insurance, Value Added Tax.
Her Majesty's Treasury (HMT)	Sometimes referred to as the Exchequer, or more informally the Treasury, is the department of the Government of the United Kingdom responsible for developing and executing the government's public finance policy and economic policy. Ultimate responsibility for public sector pensions falls on the Treasury (especially for the unfunded schemes).
Husband or wife	Legally married husband or wife. It does not include a "Common Law" husband or wife or someone you are living with as husband or wife – please see cohabiting partner.
Hutton Review	A review of public sector pension schemes carried out by Lord Hutton in 2010/11. Recommendations of this review precipitated the change in benefits in 2010 in England and Wales and 2015 in Scotland as well as the introduction of cost sharing.

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Term	Definition
Hymans Robertson LLP	Provide the Fund with independent pensions, investments, benefits and risk consulting services (see IIC).
Industry Funds Management (IFM)	One of the Fund's investment managers.
Ill Health Retirements	Retirement on the grounds of ill health. Scheme Members are awarded additional service based on the period up to their normal retirement date and the severity of their condition.
Tier 1 Ill Health	If an individual is unlikely to be capable of gainful employment before Normal Pension Age, ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the Scheme plus the pension they would have built up, calculated on assumed pensionable pay, had they been in the main section of the Scheme until they reached Normal Pension Age.
Tier 2 Ill Health	If an individual is unlikely to be capable of gainful employment within 3 years of leaving, but are likely to be capable of undertaking such employment before their Normal Pension Age, ill health benefits are based on the pension they have already built up in their pension account at their date of leaving the Scheme plus 25% of the pension they would have built up calculated on assumed pensionable pay, had they been in the main section of the Scheme until they reached Normal Pension Age.
Tier 3 Ill Health	If an individual is likely to be capable of gainful employment within 3 years of leaving, or before Normal Pension Age if earlier, ill health benefits are based on the pension they have already built up in their pension account at leaving. Payment of these benefits would be stopped after 3 years, or earlier if they are in gainful employment or become capable of such employment, provided they have not reached their Normal Pension Age by then. If the payment is stopped it would normally become payable again from their Normal Pension Age but there are provisions to allow it to be paid earlier. Details of which would be provided at the time.
Inflation	The increase in the prices of goods and services that occurs over time due to the devaluation of a currency.

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JP Morgan (JPM)	One of the Fund's investment managers.
Support Team	The Funds support team manage and maintain all aspects of The Funds Pension System - Universal Pension Management (UPM), including document, profile, security and process management.
Impact Investing	Impact investment is distinct from responsible investment, and other types of ESG investing, in that the primary motive for the investment is to create a positive and measurable impact on social and environmental issues, with an additional goal of generating a financial return.
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).
Income Yield	Refers to how much income and investment generates, separate from the principal. It's commonly used to refer to interest payments an investor receives on a bond or dividend payments on a stock. Yield is often expressed as a percentage, based on either the investment's market value or purchase price.
Independent Governance and Administration Adviser (IGAA)	Appointed by the PSB utilising the LGPS National Frameworks Procurement Process to provide the Fund with guidance on proper Governance and Administration, in addition, identifying areas for improvement, providing advice on best practices, compliance, preparation, and delivery of training and presentations.
Independent Investment Adviser (IIA)	Appointed by the ISC to advise the Fund and provide an independent view of strategic matters regarding the Fund's investments.
Index-Linked	Bonds on which the interest and ultimate capital repayment are recalculated based on changes in the Retail Price Index.
Index Tracking Management	Replaces Passive Management which is a style of investment management that seeks to attain performance equal to market or index returns.
Indirect	Access and assess via other funds rather than directly.

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## Glossary

Term	Definition
Indirect investment	A type of investing opportunity that does not require the actual purchase of the asset that ultimately generates the return.
Information Commissioner's Office	Promotes openness by public bodies and data privacy for individuals.
Institutional Investment Consultant (IIC)	Appointed by the ISC utilising the LGPS National Framework Procurement Process to provide advice on all investment related matters including strategy, asset allocation, benchmarking, manager performance and monitoring.
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Institutional Investors Group on Climate Change (IIGCC)	A leading global investor membership body and the largest one focusing specifically on climate change.
Intergovernmental Panel on Climate Change (IPCC)	The United Nations body for assessing the science related to climate change.
Interim Funding Review	The Fund undertake an annual Interim Funding Review with the Actuary between Triennial Valuations to ensure the Fund is on track with the projected Funding Level.
Internal Audit	Officers who carry out audits of internal systems and controls ensuring effective processes are in place. Internal Audit has broad access to other officers and documents to carry out this role effectively.
Internal Disputes Resolution Procedure (IDRP)	A formal complaint procedure, required by legislation, to adjudicate on Employee/Scheme Member complaints regarding their pension rights which cannot be resolved with the Pension Fund or Employer in the first instance.
International Accounting Standards (IAS)	The purpose of these standards is to ensure that the financial centres of the world, which have become more interconnected than ever, can use a global financial reporting framework that ensures effective regulation of financial markets. In regard to the Fund IAS 19 relates to Annual Pension Accounting Reporting within an Employer's Accounts and IAS 26 relates to the Annual Pension Accounting Reporting within the Pension Fund's Accounts.
International Energy Agency (IEA)	Works with countries around the world to shape energy policies for a secure and sustainable future.

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Term	Definition
International Standard for Auditing (ISA540)	Revised Auditing Accounting Estimates and Related Disclosures, to respond to the rapidly evolving business environment. The revision ensures that the standard continues to keep pace with the changing market and fosters a more independent and challenging sceptical mindset in auditors. This came into effect from 15 December 2019.
Investment Engagement Strategy	Fund Officers, in consultation with Advisers, have developed an Investment Engagement Strategy focused on both a 'bottom up' and 'top down' assessment of each investment manager appointed to help achieve the strategic asset allocation of the Fund.
Investment, Governance and Engagement Committee	Sub-Committee of the Scheme Advisory Board (SAB) in relation to Local Government Pension Scheme (LGPS) matters associated with Investment, Governance and Engagement.
Investment Strategy Statement (ISS)	Statement detailing the Fund's Investment Strategy including asset allocation, risks, and mitigations and Environmental, Social and Governance (ESG) considerations.
Investment Team	The Funds Investment Team are responsible for making sure the money received into the Fund from its Scheme Members and Employers are invested effectively.
IRR	A measure of performance taking into account cashflow.
Junior debt	Debt issued by a company that is low in the capital structure, but above equity.
Key Performance Indicators (KPIs)	A set of quantifiable measurements used to gauge the Fund's overall long-term performance which are reported to the Essex Pension Fund Strategy Board (PSB) on a quarterly basis within the Fund's Scorecard.
Liability	The obligation to pay future pensions.
Lifetime Allowance (LTA)	This is the total value of all pension benefits one can have without triggering an excess benefits tax charge. One of two controls imposed by HMRC. At the time of first drawing, one's pension benefits, the capital value of the pension benefits is calculated by multiplying the annual pension by 20 and adding any automatic lump sum. The result is then compared to the LTA limit applying on the date benefits are drawn and a tax charge will be applicable if the LTA is exceeded.



# Essex Pension Fund

## Glossary

Term	Definition
Liquid Assets	Something one owns that can quickly and simply be converted into cash while retaining its market value.
Liquidity	Ability to sell a stock quickly without affecting its market price.
Listing	For shares (or bonds) to be traded officially on a stock market they need to be listed. Essentially, this is an endorsement from the market authorities that the securities and their issuer meet certain criteria.
Local Audit & Accountability Act 2014	Act setting out the requirements for annual accounts to be audited.
Local Authority Pension Forum (LAPFF)	Promotes standards in governance and corporate responsibility in companies invested in by LGPS funds.
Local Government Association (LGA)	The National Membership Body for Local Authorities which works on behalf of Member Councils to support, promote, and improve Local Government.
Local Government Chronicle	The Local Government Chronicle is a British weekly magazine for local government officers who engage with decision-makers across the sector, providing essential news, analysis, best practice, and opinion.
Local Government Pension Scheme (LGPS)	The LGPS is a statutory, occupational, defined benefit pension scheme for public sector workers with benefits set out in law making it very safe and secure. Any changes to the LGPS regulations must be passed through Parliament before they can be implemented by the Administering Authority.
Local Government Pension Scheme (LGPS) Online Learning Academy (LOLA)	An Online Learning Platform created by Hymans Robertson which the Essex Pension Fund Strategy Board (PSB) signed up to at their 22 September 2021 meeting to assist in the achievement of the Knowledge and Skills Strategy for Board/Committee Members.
Local Government Pension Scheme (LGPS) Pools	Groups of funds who collectively invest together. The LGPS pools are Northern, Brunel, Borders to Coast, ACCESS, London CIV, Central, LPP and Wales PP.
Local Government Pension Scheme (LGPS) Reform	Changes imposed by HM Treasury or other Statutory bodies to help improve the LGPS.

# Essex Pension Fund

## Glossary

Term	Definition
Local Government Pension Scheme (LGPS) Regulations	Secondary Legislation relating to the LGPS, namely LGPS Regs 2008, LGPS Regs 2013 and LGPS Regs 2014. The Management of Investment Funds are contained in LGPS Regs 2016. There are other wider legislations, e.g., Finance Act 2004.
Local Government Pension Scheme (LGPS) Regulations 2013	Regulation 56 requires an audited set of accounts which should be shared with all Employers. Regulation 57 sets out the requirements for the annual report. Regulation 55 sets out the requirements for a governance compliance statement.
Local Pensions Board	Assists the Administering Authority in complying with the regulations (Essex Pension Fund Advisory Board (PAB)).
Low volatility	A low volatility equity manager will aim to construct a portfolio that exhibits significantly lower volatility than the benchmark index (low volatility is a relative, not absolute, term). A low volatility manager will generally target a volatility of around 15% p.a. versus a benchmark that exhibits a 20% p.a. volatility. A low volatility portfolio will generally be constructed through a quantitative assessment of past stock performance and correlation to select stocks that have historically exhibited low levels of volatility.
Mandate	The agreement between a client and investment manager laying down how the Fund is to be managed. This may include performance targets by reference to a benchmark.
Margin Account	When a futures contract is first opened, an initial margin payment is made into an account. 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.
Markets in Financial Instruments Directive (MiFID II)	European Union comprehensive set of rules on investment services and activities aimed at making financial markets more efficient, resilient, and transparent and at strengthening the protection of investors. The Fund adopts the principles and requirements of the MiFID II and have opted up to professional status to allow the Fund to continue to access the full range of vehicles and managers needed to meet the needs of the Investment Strategy. This is highlighted in the Fund's Knowledge and Skills Strategy.

# Essex Pension Fund

## Glossary

Term	Definition
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.
McCloud Judgement	An employment tribunal and later court case impacting LGPS benefits, which ruled protections to be put in place for Scheme Members close to retirement when the CARE Schemes came into force, which inadvertently discriminated on the grounds of age.
McCloud Remedy	All members who were in the scheme prior to 31 March 2012 and did not have a service break for 5 years or more, would get the same protections as those who were close to retirement when the new CARE scheme came into force.
Membership	Is used to work out an individual's benefits and is based on how long they have been a Member of the Scheme, plus any extra membership, for example that has been transferred in from another pension scheme.
Mid-Market	Focus on mid-sized companies.
Minimise Cost Leakage	Transition of assets to a new provider keeping transactional costs to a minimum.
Ministry of Housing, Communities & Local Government (MHCLG)	The Central Government Department which is responsible for the strategic management and policy making regarding the Local Government Pension Scheme (LGPS) in England and Wales. From September 2021, this Department is now called Department for Levelling Up, Housing and Communities (DLUHC).
Momentum Investing	A system of buying stocks or other securities that have had high returns over the past three to twelve months, and selling those that have had poor returns over the same period.

# Essex Pension Fund

## Glossary

Term	Definition
Money and Pensions Service (MAPS)	An organisation whose statutory objective is to develop and co-ordinate a national strategy to improve people's financial capabilities. The service provides impartial, free money and pensions guidance directly to consumers online and by telephone.
Morgan Stanley Capital International (MSCI)	An investment research firm that provides stock indexes, portfolio risk and performance analytics, and governance tools to institutional investors and hedge funds.
Morgan Stanley Capital Investment All Country World Index (MSCI ACWI)	Is a stock index designed to track broad global equity-market performance. Maintained by Morgan Stanley Capital International, the index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.
Myner's Principles	A set of principles for institutional investment decision making.
National Association of Securities Dealers Automated Quotations (NASDAQ)	Founded in 1971 by the National Association of Securities Dealers is the American stock exchange based in New York City. The NASDAQ stock market began operation as the world's first electronic stock market in February 1971.
National LGPS Frameworks	A framework for running tenders for services to LGPS funds. The framework simplifies the tender process for funds and providers.
Net Asset Statement	Sets out the value of invested assets, liabilities and current assets and liabilities of the Fund.
Net cashflow	The net cash flow of the pension fund represents the sum over a period of time of the total cash received (inflow) from contributions/investment income less the total amount of money paid out in regard to benefits paid and investment management expenses (outflow) over the same period.
Net Zero	This means huge declines in the use of coal, oil and gas.

# Essex Pension Fund

## Glossary

Term	Definition
Neutral	A neutral manager will aim to construct portfolios that have no significant sector or style biases relative to the benchmark index. This is more common in bottom up, in-depth research, managers (sometimes referred to as 'stock pickers') who aim to isolate stocks that are undervalued relative to their peers whilst avoiding taking a position on whether a country or industry itself will out or underperform.
Non-Club Transfer	Transfers to any pension scheme not in the "Transfer Club".
Normal Pension Age (NPA)	This is linked to State Pension Age (minimum of 65 for both males and females).
Office of National Statistics	Government body that publishes key statistics that may be used by actuaries when setting assumptions.
Officers	Administer and manage regional funds on behalf of elected Members.
Ongoing Cessation	Under a DDA Deferred Debt Arrangement the Employer can continue to pay past service contributions over an agreed 3 year period, enabling a managed exit from the Fund, or paying it in one lump sum.
Open/Closed ended investment	In investments, the terms 'open-ended' and 'closed-ended' are used to designate whether a 'fund' has an 'open' or fixed number of shares in circulation.
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.
Part time	You are part time if you work anything less than the number of hours your employer classes as standard full time hours.
Passive Management	A style of investment management that seeks to attain performance equal to market or index returns.

# Essex Pension Fund

## Glossary

Term	Definition
Pensioner and Payroll Team	The Funds Pensioner and Payroll Team are responsible for all processes relating to Scheme Members once they start receiving their pension. They process death in retirement cases and are responsible for the completion of running payroll each month.
Pensionable Pay	Pensionable pay is the amount of pay in which you pay contributions. It includes basic pay, plus some other extras such as bonus, shift allowances and voluntary overtime. It does not include things like mileage or expenses.
Pensions and Lifetime Savings Association (PLSA)	Group dedicated to raising standards in pensions.
The Pensions Ombudsman (PO)	When a complaint or dispute cannot be resolved satisfactorily through the Internal Disputes Resolution Procedure, the Scheme Member can apply to the Pensions Ombudsman within three years of the event that gave rise to the complaint or dispute. The Ombudsman can investigate and determine any complaint or dispute involving maladministration of the Scheme or matters of fact or law and their decision is final and binding (unless the case is taken to the appropriate Court on a point of law). Matters where legal proceedings have already started cannot be investigated by the Pensions Ombudsman.
Preferential Shares	Also known as preferred shares, are shares of a company's stock with fixed dividends that are paid out to shareholders before common stock dividends are issued. If a company enters bankruptcy, preferred stockholders are entitled to be paid from company assets before common stockholders. Preference shareholders do not hold voting rights compared to common shareholders.
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.
Private Equity	Direct investment in companies traded in private markets.



# Essex Pension Fund

## Glossary

Term	Definition
Private Markets	Investment markets where assets are not bought and sold on exchanges i.e. not publicly listed.
Property Unit Trusts (PUTS)	Pooled investment vehicles that enable investors to hold a stake in a diversified portfolio of properties.
Public Markets	Investment markets where assets are bought and sold on exchanges such as NASDAQ.
Public Services Pensions Act	Primary legislation underpinning all public sector schemes including the LGPS.
Quality Investing	Based on a company's financial stability, which can be evaluated using various metrics including, profitability, earnings quality, financial leverage and Corporate Governance.
Quantitative Easing (QE)	A form of monetary policy used by central banks to increase the domestic money supply and spur economic activity.
Realisable Assets	Assets that can be sold or borrowed against.
Rebalancing	Purchase and sale of assets to achieve target allocations.
Regional Fund	A local fund administering the LGPS.
Relative Value	Relative value is a method of determining an asset's worth that takes into account the value of similar assets.
Resolution Bodies	Scheme Employers with the power to decide if an employee or group of employees can belong to the Scheme, e.g. Town and Parish Councils.
Responsible Investment (RI)	An approach to investment that explicitly acknowledges the relevance to the investor of Environmental, Social and Governance (ESG) factors, and of the long-term health and stability of the market as a whole.

# Essex Pension Fund

## Glossary

Term	Definition
Retail Price Index (RPI)	A measure of inflation published monthly by the Office for National Statistics. It measures the change in the cost of a representative sample of retail goods and services. Future CPI inflation assumptions are derived from market implied RPI inflation.
Retirement Team	The Funds Retirement Team ensure both the Fund's active and deferred Members in the Local Government pension Scheme (LGPS), Police and Firefighter Pension Schemes receive payment of their retirement benefits promptly.
Return	The total gain from holding an investment over a given period, including income and increase (decrease) in market value.
Risk Register	A living document that sets out the various risks faced by funds, the probability and impact of the potential events as well as any mitigating actions being taken and who is responsible for monitoring and managing each risk.
Scheme Advisory Board (SAB)	It is a body set up under Section 7 of the Public Service Pensions Act 2013 and the LGPS Regulations 110-113 and its functions are to provide advice to the Secretary of State on the desirability of making changes to the Scheme and to provide advice to administering authorities and Local Pension Boards in relation to the effective and efficient administration and management of the Scheme and any connected Scheme and their pension funds. It is funded via a Statutory levy on LGPS administering authorities.
Scheme Employers	Employers which are able to bring their staff into the LGPS.
Section 151 Officer	Officer responsible for council finances including those of LGPS funds.
Senior secured	Debt issued at a high level in a companies capital structure secured against company assets.
Sole Originator	Only lender to a company.

# Essex Pension Fund

## Glossary

Term	Definition
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.
Stakeholder Engagement Strategy	Describes the approaches used for building and maintaining positive relationships with each defined Stakeholder group.
Stewardship Code	The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them.
Sub-Investment Grade	Bond assets rated below investment grade (therefore higher risk).
Sustainability Accounting Standards Board (SASB)	An independent non-profit Board, whose mission is to develop and disseminate sustainability accounting standards that help public corporations disclose material, decision-useful information to investors.
Sustainable Development	A development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Task and Finish Group (T&FG)	A time limited group set up as an action sub group of a larger committee or meeting with the aim of delivering a specified objective.
Task Force on Climate Related Financial Disclosures (TCFD)	TCFD has developed a framework to help public companies and other organisations disclose climate-related risks and opportunities.
Technical Actuarial Work (TAS 100)	Technical Actuarial Standard 100: Principles for Technical Actuarial Work (TAS 100) promotes high quality technical actuarial work. It supports the Reliability Objective that users for whom actuarial information is created should be able to place a high degree of reliance on that information's relevance, transparency of assumptions, completeness and comprehensibility, including the communication of any uncertainty inherent in the information.
Technical Hub	The Technical Hub work with Team Managers to ensure the correct interpretation of current and new Scheme Regulations, and wider pensions Legislation is kept current, to ensure our systems and processes remain fit for purpose.

# Essex Pension Fund

## Glossary

Term	Definition
Terms of Reference (TOR)	The scope and limitations of an activity or area of knowledge. The TORs for the PSB, ISC and PAB defines their roles and functions for the Fund.
The Pensions Regulator (TPR)	The Pensions Regulator is responsible for regulating the Governance and Administration of Pension Schemes and setting Codes of Practice and guidance for Schemes to follow.
TPR Code of Practice 13	Sets out the rules defined contributions schemes need to follow in the private sector. TPR have an expectation that LGPS funds should broadly follow this code in respect of their AVC arrangements.
TPR Code of Practice 14	Regulator's code of practice for public sector pension schemes. LGPS funds must comply with this code of practice.
The Local Government Transparency Code 2015	Sets out what information Local Authorities should be publishing.
The Public Sector Pensions Act 2013	Framework for public sector pensions including the creation of Local Pensions Boards and the current benefit structures of public sector schemes including the LGPS.
Towns and Parish Councils (T&PC)	Town and parish councils are the first level of local government. They provide communities with a democratic voice and a structure for taking community action. Also Employers within The Essex Pension Fund.
Trade Receipt and Capture	A dedicated global team servicing alternative assets and non-Straight Through Processing (STP) investments.
Training Needs Analysis (TNA)	Method to identify the training requirements for new and existing Members to the ISC, PSB and PAB. Whereby, individual Training Plans are developed to meet the objectives as detailed in the Knowledge and Skills Strategy.
Training Plan	A plan which captures the training to be delivered over a set period of time.
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, which has entered into an admission agreement with the Fund to allow transferred staff to remain in the LGPS.

# Essex Pension Fund

## Glossary

Term	Definition
Transfers to/from other schemes	A transfer value received into the LGPS is the total cash sum needed to be able to provide a Scheme Member with a guaranteed annual pension for life upon their retirement. A transfer can be made to or from a defined benefit and defined contribution pension arrangement.
Treasury Management	The management of the Fund's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
Treasury Management Practices (TMP)	Made up of 12 practices including but not limited to: Corporate Governance; Risk Management; Performance Measurement and Decision Making and Analysis.
UK Stewardship Code	Sets the stewardship standards for asset owners and managers.
Unit Trust	A pooled fund in which investors can buy and sell units on an on-going basis.
United Nations Framework Convention on Climate Change (UNFCCC)	UNFCCC's ultimate objective is to achieve the stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous interference with the climate system.
United Nations Sustainable Development Goals (SDG)	The blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.
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.
Valuation	Local fund valuations are used to set employer contribution rates and to assess whether funds are on target to meet their pension liabilities as they fall due in the years ahead.
Value	This style tilt considers whether stocks held within the portfolio are discounted relative to their fundamentals, i.e. whether stocks have low market valuations versus current earnings or book value.

# Essex Pension Fund

## Glossary

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Term	Definition
Value investing	The art of buying stocks which trade at a significant discount to their intrinsic value. Value investors achieve this by looking for companies on cheap valuation metrics, typically low multiples of their profits or assets, for reasons which are not justified over the longer term.
Virtual Pension Surgery (VPS)	Booked online appointments held for members of the Local Government Pension Scheme (LGPS) to discuss their pension with a member of the Essex Pension Fund.
Volatility	A measure or risk based on ups and downs of stock/portfolio over a period of time.
Weighted Average Carbon Intensity (WACI)	Measures a fund's exposure to carbon intensive companies.
Web Trade Services	Connected to over 2,700 endpoints in the global brokerage community with automated communications to over 40 major custodians globally.



# Essex Pension Fund Glossary

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## Further Information

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