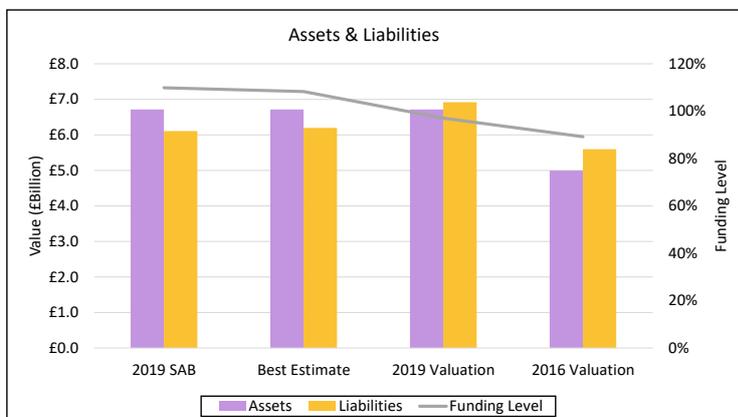
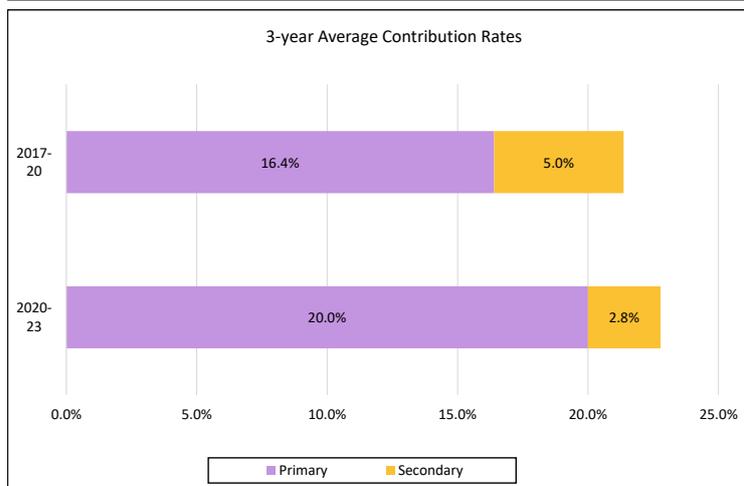
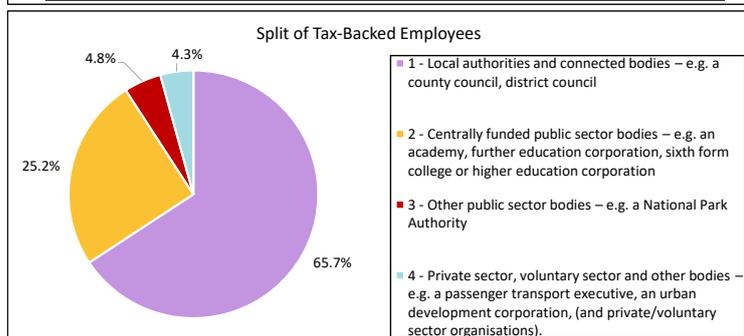
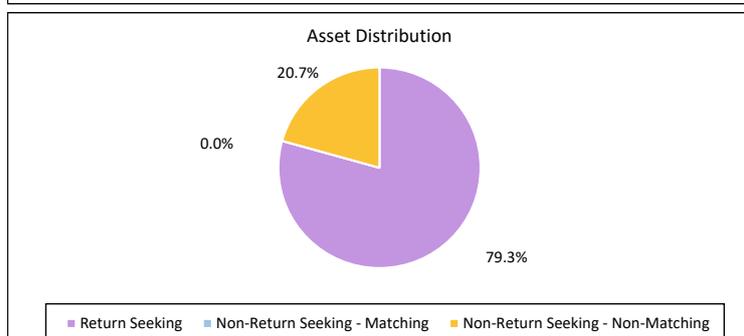
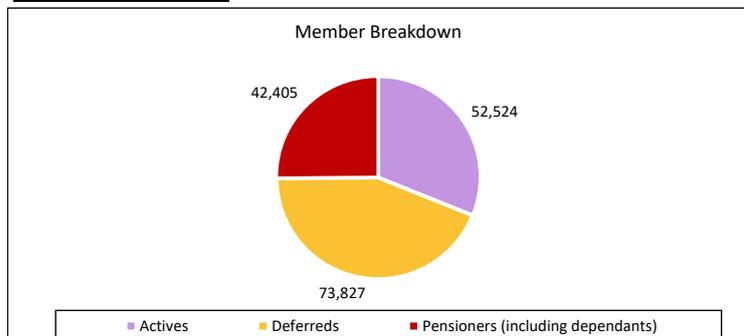
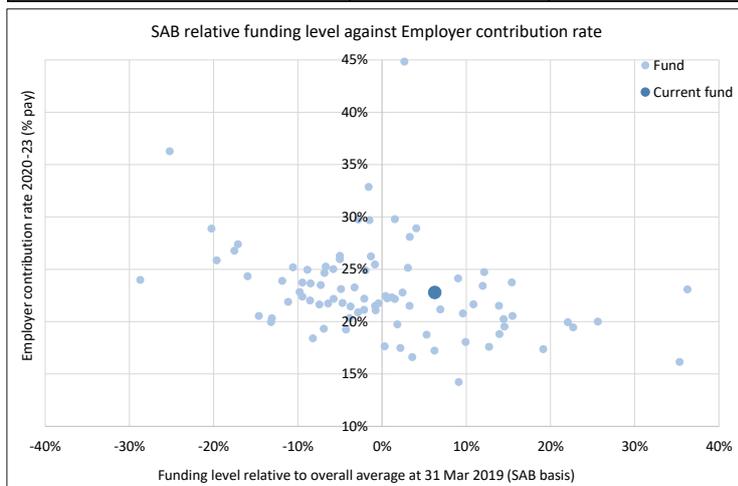


Essex Pension Fund



Local Authority	Core Spending (£m)	Core Spending (%)
Total	£1,373.1	100.0%
Southend on Sea	£124.9	9.1%
Thurrock	£114.5	8.3%
Essex	£905.4	65.9%
Basildon	£24.6	1.8%
Braintree	£13.8	1.0%
Brentwood	£8.0	0.6%
Castle Point	£10.5	0.8%
Chelmsford	£16.2	1.2%
Colchester	£20.3	1.5%
Epping Forest	£13.2	1.0%
Harlow	£10.9	0.8%
Maldon	£6.2	0.5%
Rochford	£9.5	0.7%
Tendring	£14.4	1.1%
Uttlesford	£10.0	0.7%
Essex Fire Authority	£70.8	5.2%



Essex Pension Fund

Solvency Breakdown

Asset Shock	
<i>Assets are divided into the following classes:</i>	
Return seeking - Equity, Property, Infrastructure debt & other return seeking assets	
Non-return seeking - All other assets	
Return seeking assets are stressed by reducing them by 15%	
New deficit allocated to tax-raising authorities	
= (Pre-stress asset value – Post-stress asset value) × % Tax backed employees	
This deficit is then spread over 20 years of annual payments, and compared to the fund's core spending	
	£m
Pre-stress asset value	£7,027.3
Return seeking assets	£5,574.2
Non-return seeking assets	£1,453.1
Post-stress asset value	£6,191.2
Return seeking	£4,738.0
Non-return seeking	£1,453.1
Percentage of tax-backed employees (Group 1 + Group 3)	70.6%
New deficit allocated to tax raising authorities	£590.0
Annual deficit payment (spread over 20 years)	£31.8
Total core spending (pensionable payroll used where core spending unavailable)	£1,373.1
Deficit percentage of core spending	2.3%
Deficit percentage of core spending (allowing for post-asset shock surplus)	2.3%
Liability Shock	
<i>Non-matched liabilities are stressed by increasing them by 10%</i>	
New deficit allocated to tax-raising authorities	
= (Post-stress liability value – Pre-stress liability value) × % Tax backed employees	
Deficit is spread over 20 years and compared to the fund's core spending	
	£m
Liability value pre-stress (GAD's best estimate calculation)	£6,196.8
Liability value post-stress	£6,816.5
New deficit allocated to tax raising authorities	£437.2
Annual deficit Payment (spread over 20 years)	£23.6
Deficit percentage of core spending	1.7%
Deficit percentage of core spending (allowing for post-liability shock surplus)	Surplus
Employer Default Shock	
<i>Determine funding level on GAD's best estimate basis</i>	
If the fund is in deficit, non-tax backed deficits are allocated to tax-backed	
The non-tax backed deficit is spread over 20 years and compared to the fund's core spending	
	£m
Deficit on best estimate basis	£0.0
Proportion of deficit allocated to non-tax raising authorities	£0.0
Annual deficit payment (spread over 20 years)	£0.0
Deficit percentage of core spending	Surplus
Fund Open/Closed	Open
SAB Funding Level	109.9%
Percentage of Non-Statutory Employees (Group 3 + Group 4)	9.1%

Minor inconsistencies in totals may occur due to rounding.

Long Term Cost Efficiency

Deficit Recovery Period	
<i>Implied deficit recovery period calculated on a standardised market consistent basis</i>	
Recovery period (years)	Surplus
Ranking of fund (out of 87 funds)	N/A
Required Return	
<i>Required investment return rates to achieve full funding in 20 years' time on the standardised market consistent basis</i>	
Required return under best estimate basis	2.6%
Ranking of fund (out of 87 funds)	14
Repayment Shortfall	
<i>Difference between the actual deficit recovery contribution rate and the annual deficit recovery contributions required as a percentage of payroll to pay off deficit in 20 years, where the deficit is calculated on a standardised market consistent basis</i>	
Annual deficit recovery payment as % of implied 31 March 2019 payroll	0.0%
Actual contribution rate paid less SCR on best estimate basis	6.1%
Difference	6.1%
Return Scope	
<i>Required investment return rates as calculated in required return, compared with the fund's expected best estimate future returns assuming current asset mix maintained</i>	
Expected return	4.4%
Required return	2.6%
Difference	1.9%
Ranking of fund (out of 87 funds)	13
Deficit Recovery Plan	
<i>Consideration of how the deficit recovery plan has changed compared to 2016 valuation</i>	
Valuation	2016
Deficit Recovery End Point	2031
	2019
	2040
2017-20 Average Contribution Rate	21.4%
2020-23 Average Contribution Rate	22.8%
Increase in contributions	
Difference in Average Contribution Rate between 2017-20 and 2020-23	1.4%
Increase in deficit recovery end point (years)	9

