



To: Members of the Pension Fund Committee

***Notice of an Informal Meeting of the Pension Fund
Committee***

Friday, 14 June 2013 at 10.10 am

County Hall, New Road, Oxford

Peter G. Clark.

Peter G. Clark
County Solicitor

June 2013

Contact Officer: **Julie Dean**
Tel: (01865) 815322; E-Mail: julie.dean@oxfordshire.gov.uk

Membership

Councillors

Surinder Dhesi
Jean Fooks
Neil Owen

Mark Gray
Nick Hards

Patrick Greene
Stewart Lilly

Co-optees

District Councillor Jerry Patterson* (subject to confirmation)
District Councillor Hywel Davies* (subject to confirmation)

Also Invited: Councillor Sandy Lovatt; Councillor Richard Langridge

Notes:

- ***A lunch will be provided***
- ***Date of next meeting: 6 September 2013***
- ***The officers will give a training session on 'Roles and Responsibilities of the Pension Fund Committee Members' prior to the meeting, starting at 9.30 am in the meeting room itself.***

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Rachel Dunn on (01865) 815279 or Rachel.dunn@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Election of Chairman and Deputy Chairman for the duration of the meeting**
2. **Apologies for Absence and Temporary Appointments**
3. **Declarations of Interest - see guidance note**
4. **Minutes**

To approve the minutes of the meeting held on 8 March 2013 (PF4) and to receive information arising from them.

5. **Petitions and Public Address**
6. **Overview of Past and Current Investment Position**

10:15

Tables 1 to 10 are compiled from the custodian's records. The custodian is the Pension Fund's prime record keeper. He accrues for dividends and recoverable overseas tax within his valuation figures and may also use different exchange rates and pricing sources compared with the fund managers. The custodian also treats dividend scrip issues as purchases which the fund managers may not do. This may mean that there are minor differences between the tabled figures and those supplied by the managers.

The Independent Financial Adviser will review the investment activity during the past quarter and present an overview of the Fund's position as at 31 March 2013 using the following tables:

Table 1	provides a consolidated valuation of the Pension Fund at 31 March 2013
Tables 2 to 9	provide details of the individual manager's asset allocations and compare these against their benchmark allocations
Table 10	shows net investments/disinvestments during the quarter
Tables 11 to 12	provide details on the Pension Fund's Private Equity
Tables 13 to 24	provide investment performance for the consolidated Pension Fund and for the four Managers for the quarter ended 31 March 2013

In addition to the above tables, the performance of the Fund Managers over the past 18 months has been produced graphically as follows:

Graph 1 – Value of Assets
Graph 2 – 3 – Baillie Gifford
Graph 4 - Wellington
Graph 5 – 6 – Legal & General
Graphs 7 – 11 – UBS

The Committee is RECOMMENDED to receive the tables and graphs, and that the information contained in them be borne in mind, insofar as they relate to items 9, 10 and 11 on the agenda.

7. EXEMPT ITEMS

The Committee is RECOMMENDED that the public be excluded for the duration of items 7, 8, 9, 10, 11, 12, 13 and 14 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

THE REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

NOTE: In the case of item 12, there are no reports circulated with the Agenda. Any exempt information will be reported orally.

8. Overview and Outlook for Investment Markets

10:30

Report of the Independent Financial Adviser (**PF8**).

The report sets out an overview of the current and future investment scene and market developments across various regions and sectors. The report itself does not contain exempt information and is available to the public. The Independent Financial Adviser will also report orally and any information reported orally will be exempt information.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such

disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

The Committee is RECOMMENDED to receive the report, tables and graphs, to receive the oral report, to consider any further action arising on them and to bear the Independent Financial Adviser's conclusions in mind when considering the Fund Managers' reports.

9. UBS

10:40

- (1) The Independent Financial Adviser will report orally on the performance and strategy of UBS drawing on the tables at Agenda Items 6 and 8.
- (2) The representatives (Mr. M. Gordon and Ms Y. Thomas) of the Fund Manager will:
 - (a) report and review the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 31 March 2013;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 31 March 2013.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

10. Legal & General

11:20

- (1) The Independent Financial Adviser will report orally on the performance and

strategy of Legal & General drawing on the tables at Agenda Items 6 and 8.

- (2) The representative (Mr J. Cloke) of the Fund Manager will:
- (a) report and review the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 31 March 2013;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 31 March 2013.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

11. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting

12:00

The Independent Financial Adviser will report on the officer meetings with Baillie Gifford and Wellington (**PF11**) in conjunction with information contained in the tables (Agenda Item 6), as well as update the Committee on any other issues relating to the Fund Managers not present.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.

12. Summary by the Independent Financial Adviser

12:05

The Independent Financial Adviser will, if necessary, summarise the foregoing reports of the Fund Managers and answer any questions from members.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

13. Future Management of the LGPS

12:10

This report (**PF13**) provides the findings of a review undertaken by the Heads of Pensions for the Buckinghamshire, Oxfordshire, and Berkshire LGPS Funds. The review follows the findings from Lord Hutton's Commission report on Public Sector Pensions which questioned the efficiency and effectiveness of continuing to operate with 89 separate LGPS Funds across England & Wales. The report will form part of an overall report to Cabinet on 16 July 2013 which is looking at the future arrangements for all support services within Oxfordshire Customer Services, and this Committee is invited to pass comments onto the Cabinet in respect of the proposed way forwards for the management of the LGPS scheme in Oxfordshire.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure at this time would prejudice the Authority's future negotiations with Fund Managers, and other contractors to the Fund and the delivery of the Authority's fiduciary duties and future savings to the employers and Council Tax payers.*

The Committee is RECOMMENDED to consider the above report and the

detailed annex produced by the Head of Pensions at Buckinghamshire, Oxfordshire and Berkshire, and offer any comments to the Cabinet who will consider the proposal at their meeting on 16 July 2013.

14. Custodian Procurement

12:30

The report (**PF14**) will inform the Committee of the results of the recent tender exercise for the appointment of a new global custodian.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the report.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

15. The New Look LGPS (2014) Update

12:35

The report (**PF15**) updates the Committee on progress towards implementing the New Look LGPS from April 2014. It includes information on the recent consultation on Councillor membership of the LGPS.

The Committee is RECOMMENDED to note the report.

16. Review of Pension Fund Policies

12.50

The report (**PF16**) provides an opportunity for the Committee to undertake a formal review of its major policy documents, held in line with the LGPS Regulations. The last such comprehensive review of policies was in June 2012, and the report provides an update of any key changes since that date.

The Committee is RECOMMENDED to approve the revised policy documents as set out in Annexes 1-6 to this report, noting the main changes in the documents as discussed above.

17. Oxfordshire County Council Pension Fund - Employer Update

13:00

The report (**PF17**) seeks Committee approval for any new admissions to the Fund. It also updates members on the status of any current employer which impacts on future Scheme membership.

The Committee is RECOMMENDED to:

- a) note the progress of previously approved applications for admitted body status;*
- b) approve the application for admitted body status by Oxfordshire South and Vale Citizen's Advice Bureau; and*
- c) note the cessation of scheme employers.*

18. Write Offs

13:05

The report (**PF18**) will provide the Committee with summary details of the amounts written off in the last quarter in accordance with the Financial Regulations of the Fund.

The Committee is RECOMMENDED to note the report.

LUNCH

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on Thursday 13 June 2013 at 10.00am for the Chairman, Deputy Chairman and Opposition Group Spokesman.

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TABLE 1

OXFORDSHIRE COUNTY COUNCIL PENSION FUND
OVERALL VALUATION OF FUND AS AT 31st MARCH 2013

Investment	COMBINED PORTFOLIO 1.01.13	Baillie Gifford UK Equities		Wellington Global Equities		Legal & General Global Equity Passive		Legal & General Fixed Interest		UBS Overseas Equities and Property		Other Investments		COMBINED PORTFOLIO 31.03.13	OCC Customised Benchmark	
	Value £' 000	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000		% of Total Value
EQUITIES																
UK Equities	412,617	295,856	97.1%	14,398	8.0%	151,058	54.0%	0	0.0%	0	0.0%	0	0.0%	461,312	30.7%	31.0%
North American Equities	79,265	0	0.0%	91,275	50.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	91,275	6.1%	
European & Middle Eastern Equities	27,477	0	0.0%	30,329	16.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	30,329	2.0%	
Japanese Equities	12,678	0	0.0%	14,503	8.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	14,503	1.0%	
Pacific Basin Equities	3,802	0	0.0%	4,552	2.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	4,552	0.3%	
Emerging Markets Equities	39,930	0	0.0%	23,997	13.2%	0	0.0%	0	0.0%	18,250	6.4%	0	0.0%	42,247	2.8%	
UBS Global Pooled Fund	165,595	0	0.0%	0	0.0%	0	0.0%	0	0.0%	189,086	66.0%	0	0.0%	189,086	12.6%	
L&G World (ex UK) Equity Fund	102,516	0	0.0%	0	0.0%	128,102	45.9%	0	0.0%	0	0.0%	0	0.0%	128,102	8.5%	
Total Overseas Equities	431,263	0	0.0%	164,656	91.0%	128,102	45.9%	0	0.0%	207,336	72.4%	0	0.0%	500,094	33.3%	32.0%
BONDS																
UK Gilts	40,275	0	0.0%	0	0.0%	0	0.0%	33,327	13.7%	0	0.0%	0	0.0%	33,327	2.2%	3.0%
Corporate Bonds	91,353	0	0.0%	0	0.0%	0	0.0%	92,649	38.3%	0	0.0%	0	0.0%	92,649	6.2%	6.0%
Overseas Bonds	25,527	0	0.0%	0	0.0%	0	0.0%	28,731	11.9%	0	0.0%	0	0.0%	28,731	1.9%	2.0%
Index-Linked	72,013	0	0.0%	0	0.0%	0	0.0%	77,417	32.0%	0	0.0%	0	0.0%	77,417	5.2%	5.0%
Total Bonds	229,168	0	0%	0	0.0%	0	0.0%	232,124	95.9%	0	0.0%	0	0.0%	232,124	15.5%	16.0%
ALTERNATIVE INVESTMENTS																
Property	85,755	0	0.0%	0	0.0%	0	0.0%	0	0.0%	78,385	27.4%	8,204	3.9%	86,589	5.8%	8.0%
Private Equity	123,300	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	139,939	66.7%	139,939	9.3%	10.0%
Hedge Funds	31,870	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	32,842	15.7%	32,842	2.2%	3.0%
Total Alternative Investments	240,925	0	0.0%	0	0.0%	0	0.0%	0	0.0%	78,385	27.4%	180,985	86.3%	259,370	17.3%	21.0%
CASH	45,832	8,955	2.9%	1,759	1.0%	189	0.1%	9,851	4.1%	560	0.2%	28,761	13.7%	50,075	3.2%	0.0%
TOTAL ASSETS	1,359,805	304,811	100.0%	180,813	100.0%	279,349	100.0%	241,975	100.0%	286,281	100.0%	209,746	100.0%	1,502,975	100.0%	100.0%

% of total Fund

20.28%

12.03%

18.59%

16.10%

19.05%

13.95%

100%

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

TABLE 2

ASSET ALLOCATION AS AT QUARTER ENDED 31st MARCH 2013ALTERNATIVE ASSETS

PRIVATE EQUITY AND HEDGE FUNDS					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
Private Equity	6-11	10.0%	9.3%	-0.7%	FTSE Smaller Companies (inc investment trusts)
Hedge Funds	2-4	3.0%	2.2%	-0.8%	3 month LIBOR + 3%
Total		13.0%	11.5%	-1.5%	

Target Objective for Private Equity - To seek to outperform the Benchmark by 1% over rolling 3 year periods.

Target Objective for Hedge Funds - To seek to outperform the 3 month LIBOR + 3% over rolling 3 year periods

Market Value - at 31st March 2013

£139,939,000 Private Equity
£32,842,000 Hedge Funds

TABLE 3

ASSET ALLOCATION AS AT QUARTER ENDED 31st MARCH 2013BAILLIE GIFFORD

UK EQUITIES					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
UK Equities	N/A	100.0%	97.1%	-2.9%	FTSE Actuaries All-Share
Cash	Nil	0.0%	2.9%	+2.9%	
Total		100.0%	100.0%		

Target Objective - To seek to outperform the Benchmark by 1.25% per annum over rolling 3 year periods (gross of management fees).

Market Value - at 31st March 2013

£304,811,000

TABLE 4

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**ASSET ALLOCATION AS AT QUARTER ENDED 31st MARCH 2013****LEGAL and GENERAL**

UK EQUITIES - PASSIVE					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
UK Equities	N/A	100.0%	99.9%	-0.1%	FTSE 100
Cash	Nil	0.0%	0.1%	+0.1%	
Total		100.0%	100.0%		

Target Objective - To track the FTSE 100 Index

Market Value - at 31st March 2013 £151,058,000

TABLE 5

FIXED INCOME					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
UK Gilts	0 - 36	18.75%	13.7%	-5.1%	FTSE A All Gilts Stocks
Corporate Bonds	20 - 55	37.50%	38.3%	+0.8%	IBOxx Sterling Non-Gilt All Stocks Index
Index-Linked	15 - 46	31.25%	32.0%	+0.8%	FTSE A Over 5 Year Index-linked Gilts
Overseas Bonds	0 - 24	12.50%	11.9%	-0.6%	JP Morgan Global Gov't (ex UK) Traded Bond
Cash	0 - 10	0.00%	4.1%	+4.1%	
Total		100.0%	100.0%		

Target Objective - To outperform the Benchmark by 0.6% per annum over rolling 3 year periods (gross of management fees)

Market Value - at 31st March 2013 £241,975,000

TABLE 6

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**ASSET ALLOCATION AS AT QUARTER ENDED 31st MARCH 2013****LEGAL and GENERAL**

WORLD (EX-UK) EQUITY INDEX - PASSIVE					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
Global (ex-UK) Equities	N/A	100.0%	100.0%	+0.0%	FTSE AW-World (ex-UK) Index
Cash	Nil	0.0%	0.0%	+0.0%	
Total		100.0%	100.0%		

Target Objective - To track the FTSE AW-World (ex-UK) Index

Market Value - at 31st March 2013 £128,102,000

TABLE 7

ASSET ALLOCATION AS AT QUARTER ENDED 31st MARCH 2013**WELLINGTON**

GLOBAL EQUITIES					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
Global Equities	N/A	100.0%	99.0%	-1.0%	MSCI All Countries World Index
Cash	Nil	0.0%	1.0%	+1.0%	
Total		100.0%	100.0%		

Target Objective - To seek to outperform the Benchmark by 2.0% per annum over rolling 3 year periods (net of management fees).

Market Value - at 31st March 2013 £180,813,000

TABLE 8

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**ASSET ALLOCATION AS AT QUARTER ENDED 31st MARCH 2013****UBS GLOBAL ASSET MANAGEMENT**

OVERSEAS EQUITY PORTFOLIO					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
	%	%	%	%	
Overseas Equities <i>Comprising</i>					
Global Pooled Fund	85 - 100	90.0%	91.2%	+1.2%	See Split below *
Emerging Markets	0 - 10	10.0%	8.8%	-1.2%	FTSE AW Emerging Markets
Cash	0 - 10	0.0%	0.0%		
Total		100.0%	100.0%		
* Global Pooled Fund Split:-					
North America		30.0%			FTSE North American Developed
Europe (ex UK)		30.0%			FTSE Europe (ex UK) Developed
Asia Pacific (inc. Japan)		30.0%			FTSE Asia-Pacific (inc Japan) Developed
Total Global Pooled		90.0%	91.2%	+1.2%	

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (gross of management fees).

Market Value - at 31st March 2013 £207,336,000

TABLE 9

PROPERTY PORTFOLIO					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
	%	%	%	%	
Property	90 - 100	100.0%	99.3%	-0.7%	IPD UK All Balanced Funds Index Weighted Average
Cash	0 - 10	0.0%	0.7%	+0.7%	
Total		100.0%	100.0%		

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (net of costs and fees).

Market Value - at 31st March 2013 £78,945,000

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**TOTAL PORTFOLIO PROGRESS REPORT - 1 JANUARY 2013 to 31 MARCH 2013**

Asset	Market Value 1.01.13	%	Net Purchases and Sales					Changes in Market Value					Market Value 31.03.13	%
			UBS	Baillie Gifford	Legal & General	Wellington	Other	UBS	Baillie Gifford	Legal & General	Wellington	Other		
	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
EQUITIES														
UK Equities	412,617	30	0	286	0	848	0	0	32,703	13,535	1,323	0	461,312	31
US Equities	79,265	6	0	0	0	(709)	0	0	0	0	12,719	0	91,275	6
European & Middle Eastern Equities	27,477	2	0	0	0	(176)	0	0	0	0	3,028	0	30,329	2
Japanese Equities	12,678	1	0	0	0	(240)	0	0	0	0	2,065	0	14,503	1
Pacific Basin Equities	3,802	0	0	0	0	0	0	0	0	0	750	0	4,552	0
Emerging Market Equities	39,930	3	0	0	0	758	0	641	0	0	918	0	42,247	3
Global Pooled Funds	268,111	20	0	0	10,000	0	0	23,491	0	15,586	0	0	317,188	21
Total Overseas Equities	431,263	32	0	0	10,000	(367)	0	24,132	0	15,586	19,480	0	500,094	33
BONDS														
UK Gilts	40,275	3	0	0	(6,784)	0	0	0	0	(164)	0	0	33,327	3
Corporate Bonds	91,353	7	0	0	0	0	0	0	0	1,296	0	0	92,649	6
Overseas Bonds	25,527	2	0	0	2,334	0	0	0	0	870	0	0	28,731	2
Index-Linked Bonds	72,013	5	0	0	(96)	0	0	0	0	5,500	0	0	77,417	5
ALTERNATIVE INVESTMENTS														
Property	85,755	6	(56)	0	0	0	375	441	0	0	0	74	86,589	6
Private Equity	123,300	9	0	0	0	0	(756)	0	0	0	0	17,395	139,939	9
Hedge Funds	31,870	3	0	0	0	0	0	0	0	0	0	972	32,842	2
SUB TOTAL	1,313,973	97	(56)	286	5,454	481	(381)	24,573	32,703	36,623	20,803	18,441	1,452,900	97
CASH *	45,832	3	135	1,659	4,601	800	(2,952)	0	0	0	0	0	50,075	3
GRAND TOTAL	1,359,805	100	79	1,945	10,055	1,281	(3,333)	24,573	32,703	36,623	20,803	18,441	1,502,975	100

* Movement in cash is not confined to investment transactions but also includes dividend income and the payment of fees. Further details of cash movements can be found in the Managers' individual valuations.

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

TABLE 11

VALUATION OF OTHER INVESTMENTS AS AT 31st MARCH 2013

	HOLDING	COST £	AVERAGE COST £	MARKET PRICE £	MARKET VALUE £	UNREALISED GAIN/LOSS £
PRIVATE EQUITY						
Managed by Mr P Davies, JFA						
Quoted Investment Trusts						
3i Group	1,674,713	4,717,842	2,817	3,159,000	5,290,418	572,576
Candover Investments	236,060	1,687,945	7,150	3,947,500	931,847	(756,098)
Electra Private Equity	1,016,179	13,886,422	13,665	23,640,000	24,022,472	10,136,050
F&C Private Equity Trust	4,160,000	7,339,178	1,764	2,017,500	8,392,800	1,053,622
Graphite Enterprise Trust	852,512	2,420,093	2,839	4,995,000	4,258,297	1,838,204
HarbourVest European Senior Loans	2,284,315	2,036,594	0,892	0,642,500	1,467,672	(566,922)
Henderson Private Equity	132,519	234,424	1,769	3,652,500	484,026	249,602
HG Capital Trust	1,934,000	11,207,516	5,795	11,820,000	22,859,880	11,652,364
KKR & COLP	220,000	1,548,101	7,037	12,716,915	2,797,721	1,249,620
Northern Investors	454,791	725,515	1,595	2,922,500	1,329,127	603,612
Oxford Technology 3 Venture Capital Trust	593,612	582,797	0,982	0,610,000	362,103	(220,694)
Oxford Technology 4 Venture Capital Trust	1,021,820	995,164	0,974	0,430,000	439,383	(555,781)
Schroder Private Equity	1,769,005	1,145,333	0,647	1,829,977	3,237,238	2,091,905
Standard Life European Private Equity Trust	4,434,448	5,174,666	1,167	1,850,000	8,203,729	3,029,063
SVG Capital	1,691,580	5,758,449	3,404	4,017,000	6,795,077	1,036,628
		59,460,039			90,871,790	31,411,751
Other Fixed Interest						
Electra Private Equity 5.000% 12/29/2017 DD 12/29/10	2,870	2,870,000	1,000	1,244,000	3,570,280	700,280
Unlisted Private Funds						
Midlands Growth Fund	2,509	306,254	122	3,500	8,782	(297,472)
Limited Partnerships Fund of Funds						
Partners Group Secondary 2006 L.P.		2,203,147			3,980,460	1,777,313
Partners Group Secondary 2008 L.P.		7,828,954			11,033,341	3,204,387
Partners Group Asia-Pacific 2007 L.P.		5,879,840			6,587,768	707,928
Partners Group Secondary 2011 L.P.		1,343,664			1,989,505	645,841
Partners Group Asia-Pacific 2011 L.P.		1,618,480			1,465,114	(153,366)
Adams Street 2007 Non US Fund		3,604,325			4,451,490	847,165
Adams Street 2008 Global Fund						
Adams Street 2008 Direct Fund		1,119,109			1,489,999	370,890
Adams Street 2008 Non US Fund		2,616,062			2,947,645	331,583
Adams Street 2008 US Fund		2,726,365			4,590,567	1,864,202
Adams Street 2009 Global Fund						
Adams Street 2009 Direct Fund		582,973			812,761	229,788
Adams Street 2009 Non US Developed Mkts Fund		960,290			1,032,550	72,260
Adams Street 2009 Non US Emerging Mkts Fund		368,086			321,890	(46,196)
Adams Street 2009 US Fund		1,843,685			2,345,832	502,147
Adams Street 2013 Global Fund		179,624			172,874	(6,750)
Oxford Technology ECF Limited Partner AC		1,480,119			2,157,250	677,131
Longwall Ventures ECF Limited Partner AC		120,000			109,000	(11,000)
		34,474,723			45,488,046	11,013,323
Cash Held by Custodian for Private Equity		10,210,846			10,210,846	
CASH HELD IN HOUSE		18,549,891			18,549,891	
TOTAL OF ALL INVESTMENTS		125,871,753			168,699,635	42,827,882

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

TABLE 12

PRIVATE EQUITY TRANSACTIONS DURING QUARTER ENDED 31st MARCH 2013

DATE	HOLDING	TRANSACTION	BOOK COST £	PAYMENTS £	SALE PROCEEDS £	REALISED GAIN/LOSS £
15/02/2013	150,000	PURCHASE Northern Investors	422,941	422,941		
			422,941	422,941		
		LIMITED PARTNERSHIP FUND OF FUNDS				
		DRAWDOWNS				
28/01/2013		Adams Street 2008 US Fund	300,874	300,874		
24/01/2013		Longwall Ventures ECF Limited Partner AC	15,000	15,000		
25/01/2013		Oxford Technology ECF Limited Partner AC	60,000	60,000		
21/02/2013		Adams Street 2008 Direct Fund	63,433	63,433		
21/02/2013		Longwall Ventures ECF Limited Partner AC	90,000	90,000		
22/02/2013		Adams Street 2009 Direct Fund	37,464	37,464		
13/03/2013		Adams Street 2013 Global Fund	179,624	179,624		
13/03/2013		Partners Group Asia - Pacific 2011 L.P.	270,278	270,278		
25/03/2013		Partners Group Secondary 2006 L.P.	83,953	83,953		
28/03/2013		Adams Street 2008 Non US Fund	227,560	227,560		
			1,328,186	1,328,186		
		SALES				
01/03/2013	150,000	31 Group plc	(422,566)		(476,432)	53,866
18/03/2013	50,000	31 Group plc	(140,855)		(162,249)	21,394
			(563,421)	0	(638,681)	75,260
		LIMITED PARTNERSHIP FUND OF FUNDS				
		CAPITAL DISTRIBUTIONS				
		Partners Group Secondary 2006 L.P.	(163,493)		(163,493)	
		Partners Group Secondary 2008 L.P.	(371,505)		(371,505)	
		Adams Street 2008 US Fund	(229,603)		(229,603)	
		Adams Street 2008 Direct Fund	(61,445)		(61,445)	
		Adams Street 2009 Direct Fund	(39,109)		(39,109)	
		Partners Group Secondary 2006 L.P.	(251,019)		(251,019)	
		Partners Group Secondary 2008 L.P.	(251,859)		(251,859)	
		Adams Street 2008 Non US Fund	(74,417)		(74,417)	
			(1,442,450)		(1,442,450)	-
		CORPORATE ACTION				
	(192,592)	Schroder Private Equity - Repurchase	(124,693)		(359,885)	235,192
		KKR & Co LP - Return of Capital	(101,852)		(66,204)	(35,648)
			(226,545)	-	(426,089)	199,544
		TOTALS	(481,289)	1,751,127	(2,507,220)	274,804

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 31st MARCH 2013****COMBINED PORTFOLIO (BY ASSET CLASS)**

ASSET	% weighting of fund as at 31st March 2013	QUARTER ENDED 31st March 2013			12 MONTHS ENDED 31st March 2013			THREE YEARS ENDED 31st March 2013			FIVE YEARS ENDED 31st March 2013		
		BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
GLOBAL EQUITIES	11.0%	14.0	14.0	0.0	17.1	17.0	-0.1	8.2	7.0	-1.2	8.4	3.8	-4.6
UK EQUITIES	30.7%	10.3	12.0	1.7	16.8	19.1	2.3	8.8	12.5	3.7	6.7	8.9	2.2
OVERSEAS EQUITIES	22.3%	14.4	13.8	-0.6	17.2	14.1	-3.1	8.2	5.4	-2.8	8.4	7.9	-0.5
UK GOVERNMENT BONDS	2.2%	0.7	0.6	-0.1	5.2	4.2	-1.0	8.2	7.3	-0.9	7.1	7.0	-0.1
UK CORPORATE BONDS	6.2%	1.7	1.4	-0.3	12.0	11.6	-0.4	8.6	9.3	0.7	7.8	8.7	0.9
OVERSEAS BONDS*	1.9%	4.3	0.6	-3.7	3.8	5.3	1.5	4.5	5.1	0.6	4.8	5.8	1.0
UK INDEX LINKED GILTS	5.1%	9.0	8.9	-0.1	11.7	12.2	0.5	13.0	14.1	1.1	9.2	10.1	0.9
TOTAL PRIVATE EQUITY	9.3%	11.8	14.2	2.4	24.5	23.1	-1.4	12.6	15.5	2.9	5.9	3.5	-2.4
HEDGE FUNDS	2.2%	0.9	3.1	2.2	3.7	3.6	-0.1	3.8	2.8	-1.0	4.6	-0.2	-4.8
PROPERTY ASSETS	5.8%	0.8	1.1	0.3	1.0	1.6	0.6	5.2	5.7	0.5	-1.1	-3.9	-2.8
TOTAL CASH	3.3%	-	0.4	-	-	2.2	-	-	1.1	-	-	1.6	-
TOTAL FUND	100%	9.8	10.1	0.3	14.9	14.9	0.0	9.0	9.2	0.2	7.3	6.1	-1.2

* This includes L&G Currency Hedging for Overseas bonds

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 31st MARCH 2013****COMBINED PORTFOLIO (BY FUND MANAGER)**

FUND MANAGER	% Weighting of Fund as at 31st March 2013	QUARTER ENDED 31st March 2013			12 MONTHS ENDED 31st March 2013			THREE YEARS ENDED 31st March 2013			FIVE YEARS ENDED 31st March 2013		
		BENCHMARK	OXFORDSHIRE	VARIATION	BENCHMARK	OXFORDSHIRE	VARIATION	BENCHMARK	OXFORDSHIRE	VARIATION	BENCHMARK	OXFORDSHIRE	VARIATION
		RETURN %	TOTAL FUND %	%	RETURN %	TOTAL FUND %	%	RETURN %	TOTAL FUND %	%	RETURN %	TOTAL FUND %	%
BAILLIE GIFFORD UK EQUITIES	20.3%	10.3	12.8	2.5	16.8	20.4	3.6	8.8	14.7	5.9	6.7	10.0	3.3
WELLINGTON GLOBAL EQUITIES	12.0%	14.1	14.0	-0.1	-	-	-	-	-	-	-	-	-
L&G UK EQUITIES - PASSIVE	10.1%	9.8	9.8	0.0	15.4	15.5	0.1	7.9	8.0	0.1	-	-	-
L&G GLOBAL EX UK EQUITIES - PASSIVE	8.5%	14.9	14.9	0.0	17.6	17.6	0.0	-	-	-	-	-	-
L&G FIXED INCOME	16.1%	3.7	3.4	-0.3	9.8	9.7	-0.1	9.5	9.9	0.4	7.9	8.6	0.7
PARTNERS GROUP PROPERTY SICAR	0.5%	0.8	0.9	0.1	1.0	6.4	5.4	5.2	9.7	4.5	-	-	-
PRIVATE EQUITY	9.3%	11.8	14.2	2.4	24.5	23.1	-1.4	12.6	15.5	2.9	5.9	3.5	-2.4
UBS OVERSEAS EQUITIES	13.8%	13.3	13.1	-0.2	17.2	14.5	-2.7	7.1	5.6	-1.5	7.6	7.9	0.3
UBS PROPERTY	5.3%	0.8	1.1	0.3	1.0	1.2	0.2	5.2	5.1	-0.1	-1.1	-4.7	-3.6
UBS HEDGE FUNDS	2.2%	0.9	3.1	2.2	3.7	3.6	-0.1	3.8	2.8	-1.0	4.6	-0.2	-4.8
IN-HOUSE CASH	1.9%	0.1	0.2	0.1	0.4	1.5	1.1	0.4	1.4	1.0	1.1	2.1	1.0
TOTAL FUND	100.0%	9.8	10.1	0.3	14.9	14.9	0.0	9.0	9.2	0.2	7.3	6.1	-1.2

* This includes L&G Currency Hedging for Overseas bonds

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 31st MARCH 2013****BAILLIE GIFFORD - UK EQUITIES ACTIVE MANDATE**

TABLE 15

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
UK EQUITIES	10.3	13.1	2.8	16.8	21.1	4.3	8.8	15.1	6.3	6.7	10.1	3.4
TOTAL CASH	-	0.1	-	-	0.5	-	-	0.6	-	-	1.5	-
TOTAL ASSETS	10.3	12.8	2.5	16.8	20.4	3.6	8.8	14.7	5.9	6.7	10.0	3.3

Target Objective - To seek to outperform the Benchmark by 1.25% per annum over rolling 3 year periods (gross of management fees)

WELLINGTON - GLOBAL EQUITIES ACTIVE MANDATE

TABLE 16

ASSET	QUARTER ENDED 31/12/2012			12 MONTHS ENDED 31/12/2012			THREE YEARS ENDED 31/12/2012			FIVE YEARS ENDED 31/12/2012		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
GLOBAL INC UK EQUITIES	14.1	14.0	-0.1	-	-	-	-	-	-	-	-	-
TOTAL CASH	-	8.0	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	14.1	14.0	-0.1	-	-	-	-	-	-	-	-	-

Target Objective - To seek to outperform the Benchmark by 2.0% per annum over rolling 3 year periods (gross of management fees)

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 31st MARCH 2013****LEGAL & GENERAL - PASSIVE EQUITY INDEX FUNDS**

TABLE 17

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
1 FTSE 100 EQUITY INDEX FUND	9.8	9.8	0.0	15.4	15.5	0.1	7.9	8.0	0.1	-	-	
2 L&G WORLD (EX-UK) EQUITY FUND	14.9	14.9	0.0	17.6	17.6	0.0	-	-	-	-	-	

Target Objective - 1. To track the FTSE 100 Index 2. To track the FTSE AW-World (ex-UK) Index

LEGAL & GENERAL - BONDS

TABLE 18

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
UK GILTS	0.7	0.6	-0.1	5.2	4.2	-1.0	8.2	7.3	-0.9	7.1	7.0	-0.1
UK CORPORATE BONDS	1.7	1.4	-0.3	12.0	11.6	-0.4	8.6	9.3	0.7	7.8	8.7	0.9
OVERSEAS BONDS*	0.8	0.6	-0.2	4.8	5.3	0.5	4.8	5.1	0.3	5	5.7	0.7
UK INDEX LINKED	9.0	8.9	-0.1	11.7	12.2	0.5	13.0	14.1	1.1	9.2	10.1	0.9
CASH/ALTERNATIVES*	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	3.7	3.4	-0.3	9.8	9.7	-0.1	9.5	9.9	0.4	7.9	8.6	0.7

* Cash held by L&G is used for hedging the Overseas Bond position. This is therefore included in the Overseas Bond category in order to produce a hedged return.

Target Objective - To outperform the Benchmark by 0.6% per annum over rolling 3 year periods (gross of management fees)

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 31st MARCH 2013****INDEPENDENT ADVISOR - PRIVATE EQUITY**

TABLE 19

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
PRIVATE EQUITY	11.8	18.0	6.2	24.5	30.8	6.3	12.6	17.1	4.5	5.9	4.1	-1.8
LIMITED LIABILITY PARTNERSHIPS	11.8	7.0	-4.8	24.5	9.8	-14.7	12.6	13.2	0.6	5.9	5.9	0.0
TOTAL ASSETS	11.8	14.2	2.4	24.5	23.1	-1.4	12.6	15.5	2.9	5.9	3.5	-2.4

Target Objective - To seek to outperform the Benchmark by 1% over rolling 3 year periods.

PARTNERS GROUP REAL ESTATE SICAR - PROPERTY

TABLE 20

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
PROPERTY	0.8	0.9	0.1	1.0	6.4	5.4	5.2	9.7	4.5	-	-	-
TOTAL CASH	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS*	0.8	0.9	0.1	1.0	6.4	5.4	5.2	9.7	4.5	-	-	-

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 31st MARCH 2013****UBS GLOBAL ASSET MANAGEMENT- OVERSEAS EQUITIES**

TABLE 21

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
OVERSEAS EQUITIES	13.3	13.1	-0.2	17.2	14.5	-2.7	7.1	5.6	-1.5	7.6	8.0	0.4
TOTAL CASH	-	-		-	-		-	-		-	-	
TOTAL ASSETS	13.3	13.1	-0.2	17.2	14.5	-2.7	7.1	5.6	-1.5	7.6	7.9	0.3

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (gross of management fees).

UBS GLOBAL ASSET MANAGEMENT - PROPERTY

TABLE 22

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
PROPERTY	0.8	1.1	0.3	1.0	1.2	0.2	5.2	5.6	0.4	-1.1	-3.9	-2.8
TOTAL CASH*	-	0.5		-	1.2		-	-0.1		-	-	
TOTAL ASSETS**	0.8	1.1	0.3	1.0	1.2	0.2	5.2	5.1	-0.1	-1.1	-4.7	-3.6

* Historic returns for this category refer to the portfolio whilst both Overseas Equities and Property were held within one portfolio. Property cash shown from June 2009

** Total Assets for this mandate reflect Cash from June 2009 only.

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (gross of management fees).

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**INVESTMENT PERFORMANCE TIME WEIGHTED RATES OF RETURN FOR PERIODS ENDED 31st MARCH 2013****UBS GLOBAL ASSET MANAGEMENT - HEDGE FUNDS**

TABLE 23

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
HEDGE FUNDS	0.9	3.1	2.2	3.7	3.8	0.1	3.8	2.9	-0.9	4.6	-0.2	-4.8
TOTAL CASH	-	n/a	-	-	n/a		-	n/a		-	n/a	
TOTAL ASSETS	0.9	3.1	2.2	3.7	3.6	-0.1	3.8	2.8	-1.0	4.6	-0.2	-4.8

Target Objective - To seek to outperform the 3 month LIBOR + 3% over rolling 3 year periods

INTERNALLY MANAGED CASH

TABLE 24

ASSET	QUARTER ENDED 31/03/2013			12 MONTHS ENDED 31/03/2013			THREE YEARS ENDED 31/03/2013			FIVE YEARS ENDED 31/03/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
INTERNALLY MANAGED CASH*	0.1	0.2	0.1	0.4	1.5	1.1	0.4	1.4	1.0	1.1	2.1	1.0
TOTAL ASSETS	0.1	0.2	0.1	0.4	1.5	1.1	0.4	1.4	1.0	1.1	2.1	1.0

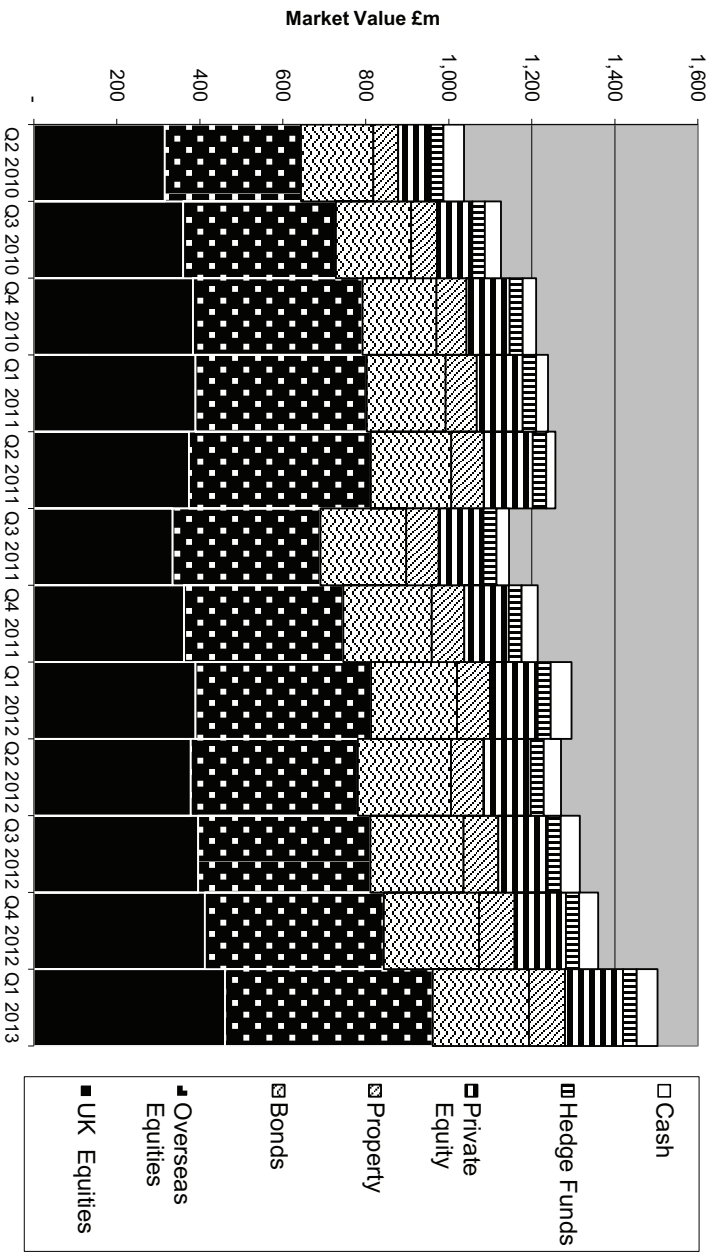
* This portfolio includes cash held at the Custodian

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**TABLE 25****TOP 20 HOLDINGS AT 31/03/2013**

ASSET DESCRIPTION	MARKET VALUE £	TOTAL FUND %
DIRECT HOLDINGS		
1 ELECTRA INVESTMENT TR ORD 25P	24,022,472	1.60
2 HG CAPITAL TRUST ORD GBP0.25	22,859,880	1.52
3 BRITISH AMERICAN TOBACCO ORD	15,248,939	1.01
4 HSBC HLDGS ORD USD0.50 (UK)	14,237,346	0.95
5 BG GROUP PLC ORD GBP0.10	12,055,145	0.80
6 ROYAL DUTCH SHELL PLC B SHS	10,777,952	0.72
7 ASHTEAD GROUP PLC	8,724,368	0.58
8 BUNZL ORD GBP0.3214857	8,676,775	0.58
9 SABMILLER PLC	8,658,750	0.58
10 PRUDENTIAL PLC GBP0.05	8,487,485	0.56
11 STANDARD CHARTERED ORD USD0.50	8,419,172	0.56
12 REED ELSEVIER	8,401,435	0.56
13 F & C PRIVATE EQUITY TRUST	8,392,800	0.56
14 STANDARD LIFE EURO ORD	8,203,729	0.55
15 OVERLOOK PREF FD CL D (GBP)	8,149,848	0.54
16 BHP BILLITON PLC USD0.50	7,926,796	0.53
17 LEGAL & GENERAL GROUP ORD 2.5P	7,832,588	0.52
18 IMPERIAL TOBACCO GROUP ORD 10P	7,767,240	0.52
19 MEGGITT ORDSP	7,723,011	0.51
20 ROLLS-ROYCE HLDGS PLC	7,274,441	0.48
	213,840,172	14.23
* Excludes Investments held within Pooled Funds		
POOLED FUNDS AT 31/03/2013		
1 UBS GLOBAL OPTIMAL THIRDS FUND	189,085,748	12.58
2 L&G UK FTSE 100 EQUITY INDEX FUND	151,058,252	10.05
3 L&G WORLD (EX UK) EQUITY INDEXGFUND	128,101,559	8.52
4 L&G CORE PLUS FUND	92,648,939	6.16
5 BAILLIE GIFFORD BRITISH SMALLER COMPANIES FUND	19,420,467	1.29
TOTAL POOLED FUNDS MARKET VALUE	580,314,965	38.60
TOTAL FUND MARKET VALUE	1,502,975,000	

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

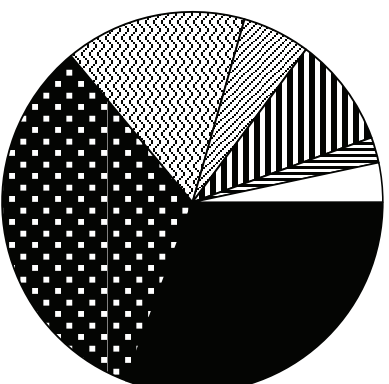
MARKET VALUE OF TOTAL FUND
TOTAL FUND MARKET VALUE BY ASSET CLASS



GRAPH 1

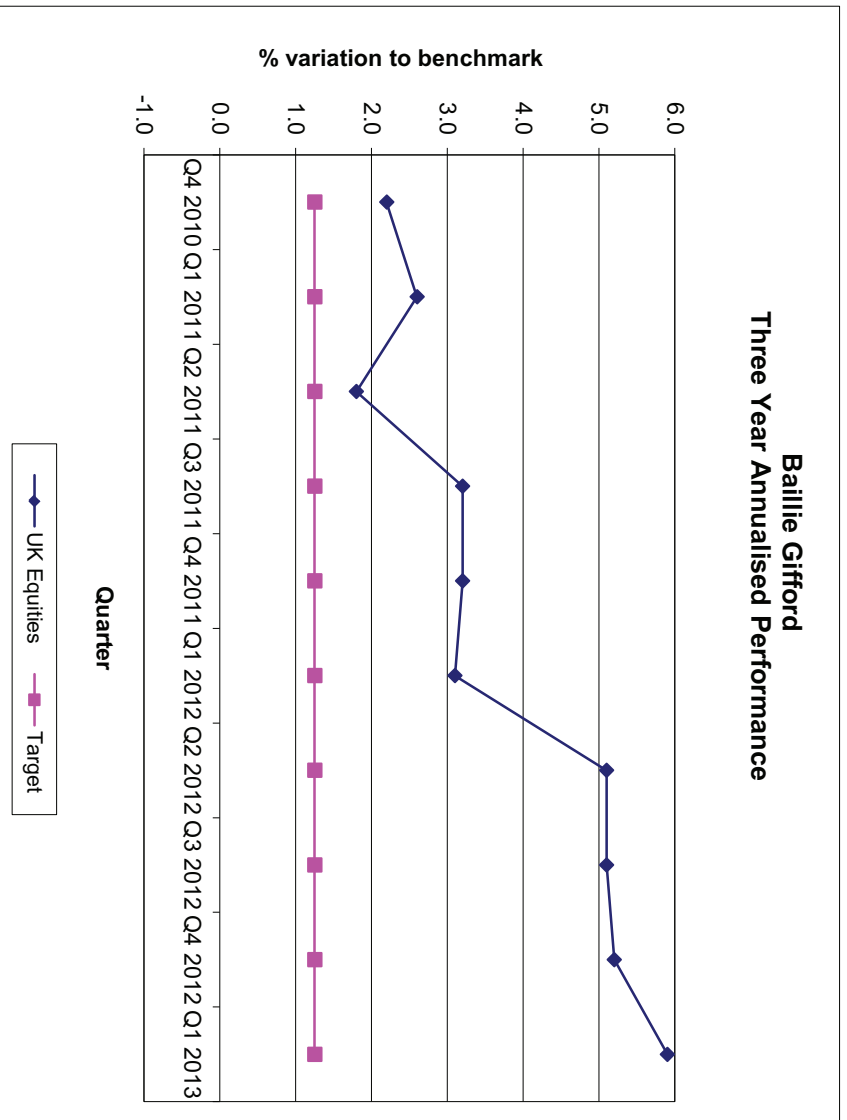
<u>Quarter</u>	<u>Market Value</u> <u>£m</u>
Q2 2010	1,037.0
Q3 2010	1,126.0
Q4 2010	1,210.7
Q1 2011	1,239.0
Q2 2011	1,257.2
Q3 2011	1,145.3
Q4 2011	1,214.3
Q1 2012	1,295.7
Q2 2012	1,270.6
Q3 2012	1,316.0
Q4 2012	1,359.8
Q1 2013	1,503.0

Asset Allocation Latest Quarter



OXFORDSHIRE COUNTY COUNCIL PENSION FUND

GRAPH 2

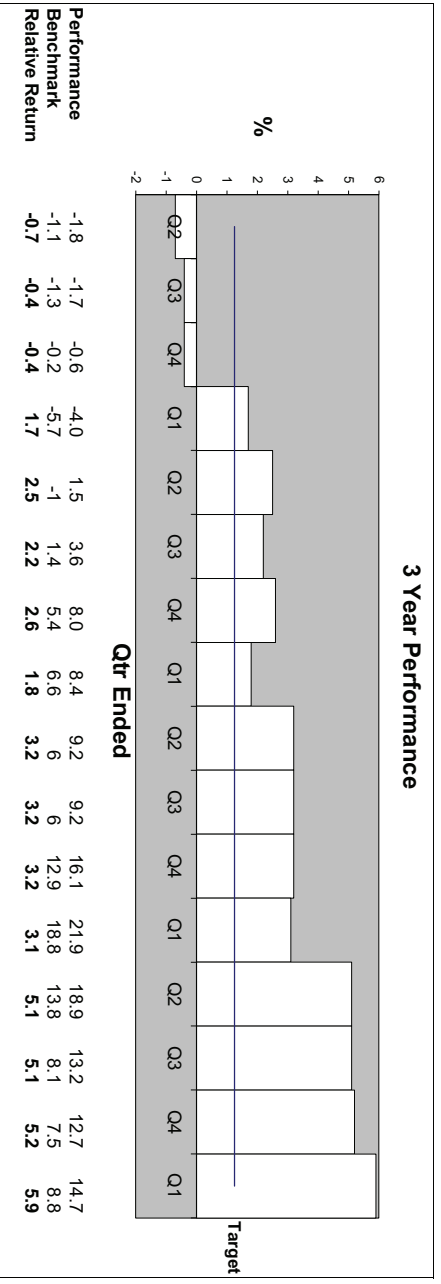
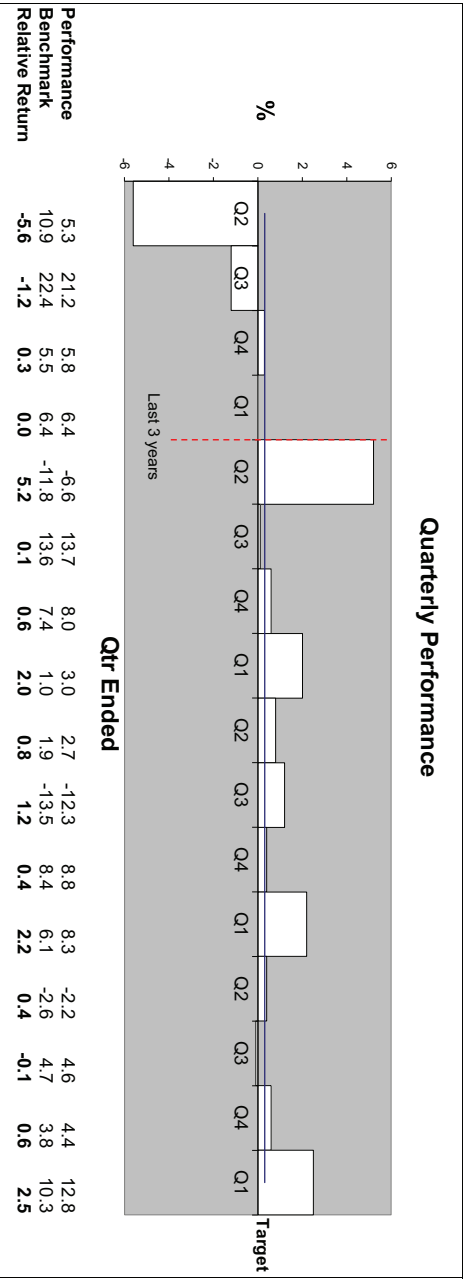


Baillie Gifford Three Year Annualised Performance

	UK	
	Equities	Target
Q4 2010	2.2	1.25
Q1 2011	2.6	1.25
Q2 2011	1.8	1.25
Q3 2011	3.2	1.25
Q4 2011	3.2	1.25
Q1 2012	3.1	1.25
Q2 2012	5.1	1.25
Q3 2012	5.1	1.25
Q4 2012	5.2	1.25
Q1 2013	5.9	1.25

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 3



Target Returns

Rolling annual target of 1.25% above benchmark

Top 10 holdings at 31/03/2013

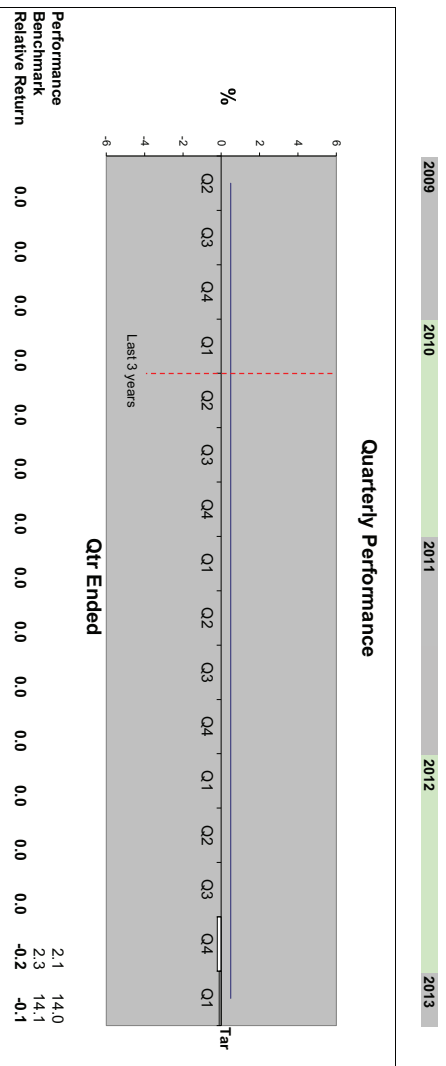
Rank	Holding	Value £	% of portfolio
1	BRITISH AMERICAN TOBACCO ORD	13,506,495	4.43
2	BG GROUP PLC ORD GBP0.10	12,055,145	3.96
3	HSBC HLDGS ORD USD0.50 (UK)	11,621,910	3.81
4	ROYAL DUTCH SHELL 'B' SHS	9,331,551	3.06
5	ASHTREAD GROUP PLC	8,724,368	2.86
6	BUNZL ORD GBP0.3214857	8,676,775	2.85
7	SABMILLER PLC	8,658,750	2.84
8	PRUDENTIAL PLC GBP0.05	8,487,485	2.78
9	STANDARD CHARTERED ORD USD0.50	8,419,172	2.76
10	REED ELSEWIER	8,401,435	2.76
Total Holdings Market Value		97,883,086	32.11
Total Baillie Gifford Market Value		304,811,000	

Baillie Gifford

Top 10 holdings excludes investments held within pooled funds.

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 4



Target Returns

Rolling annual target of 2% above benchmark

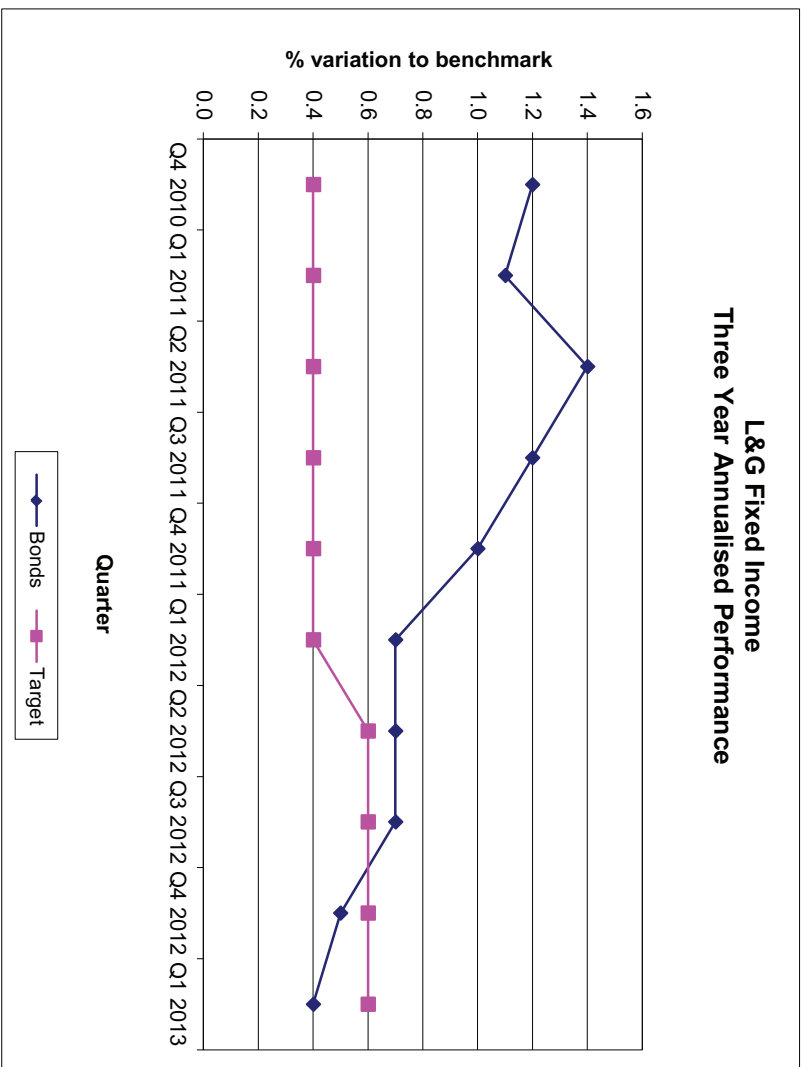
Top 10 holdings at

31/03/2013

Rank	Holding	Value £	% of portfolio
1	MERCK & CO INC	4,253,877	2.35
2	CREDIT SUISSE GROUP AG CHF0.04	4,251,939	2.35
3	JPMORGAN CHASE & CO	4,239,135	2.35
4	MARSH & MCLENNAN COS INC	3,930,196	2.18
5	ZURICH INSURANCE GROUP AG	3,742,246	2.07
6	INTERNATIONAL PAPER CO	3,424,701	1.88
7	WELLS FARGO & CO	3,276,952	1.81
8	TAIWAN SEMICONDUCTOR MANUFACTU	3,270,203	1.81
9	SAMSUNG ELECTR-GDR REGS	3,259,872	1.80
10	BAKER HUGHES INC	2,979,262	1.65
Top 10 Holdings Market Value		36,528,383	20.26
Total Wellington Market Value		180,813,000	

Wellington

Top 10 holdings excludes investments held within pooled funds.



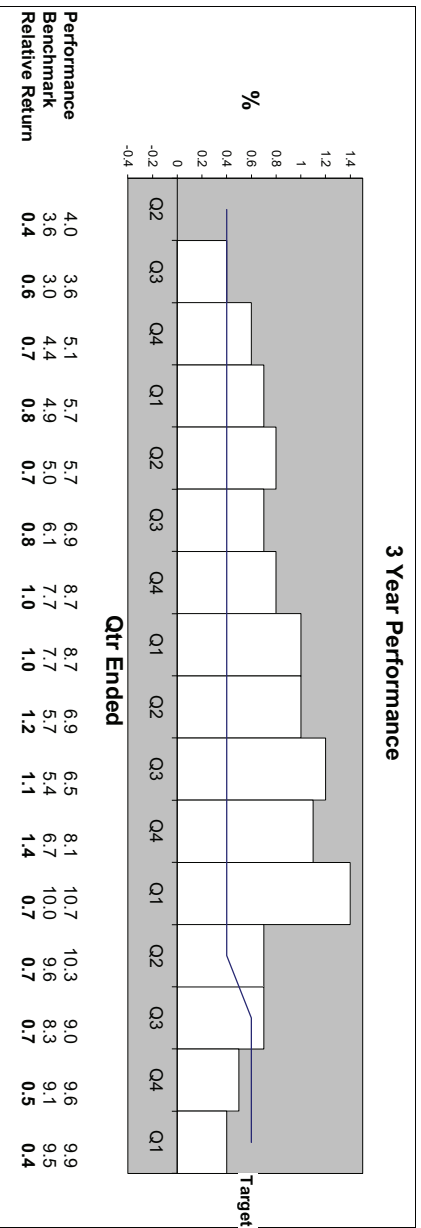
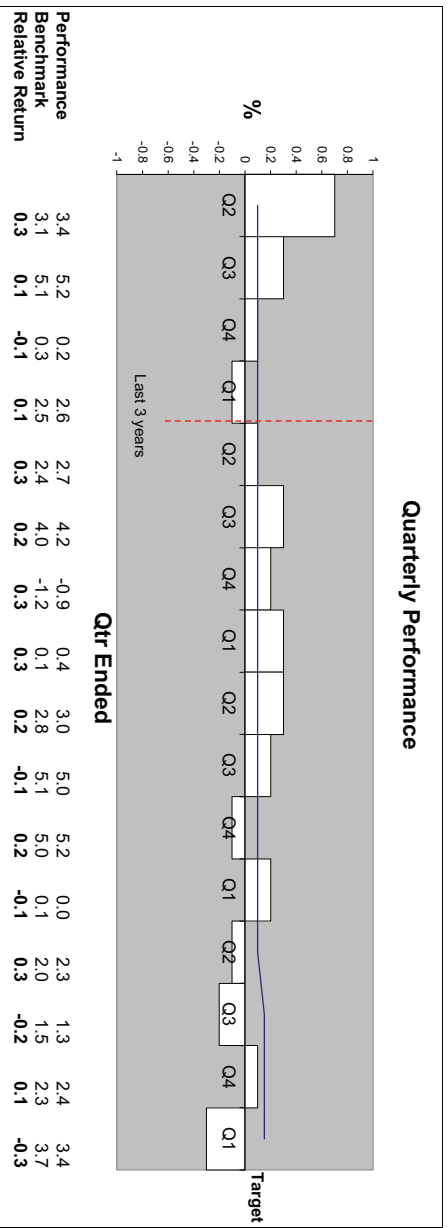
L&G Fixed Income Three Year Annualised Performance

	Bonds	Target
Q4 2010	1.2	0.4
Q1 2011	1.1	0.4
Q2 2011	1.4	0.4
Q3 2011	1.2	0.4
Q4 2011	1.0	0.4
Q1 2012	0.7	0.4
Q2 2012	0.7	0.6
Q3 2012	0.7	0.6
Q4 2012	0.5	0.6
Q1 2013	0.4	0.6

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 6

2009 2010 2011 2012 2013



Target Returns

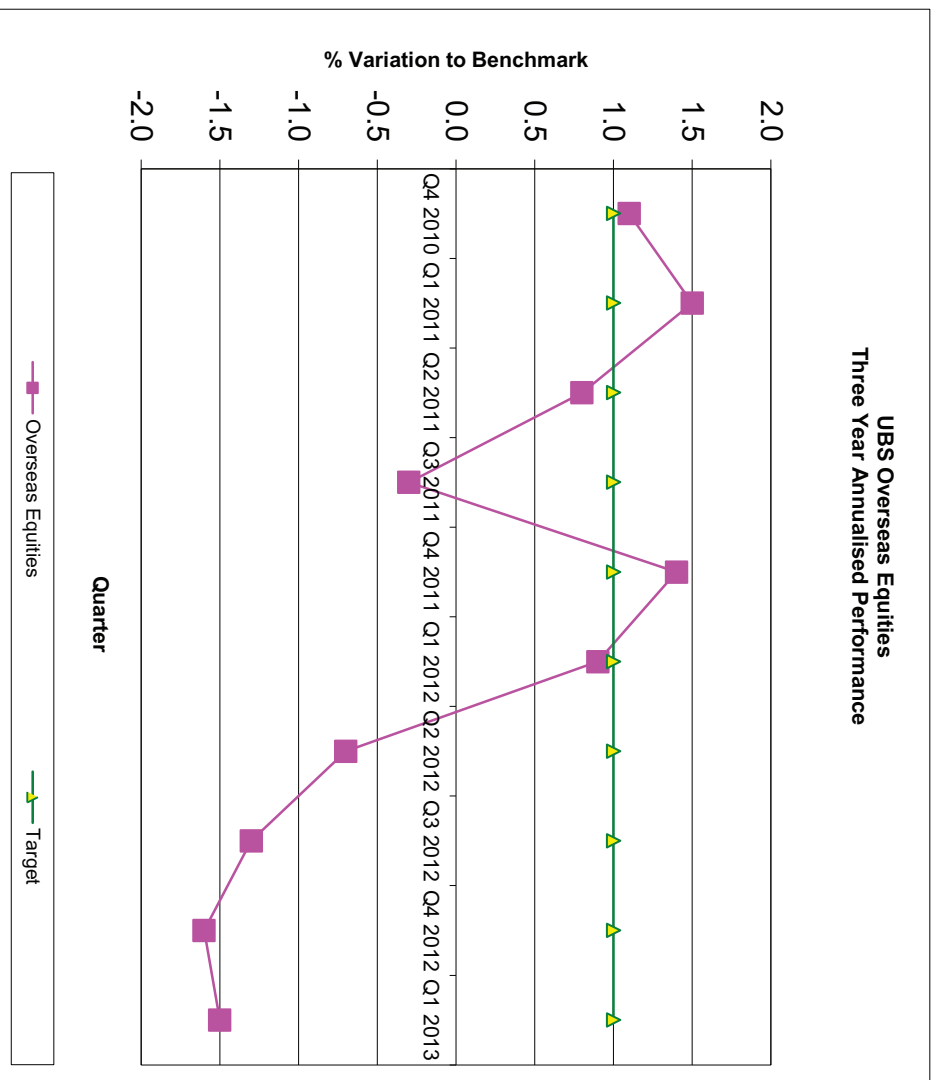
Rolling annual target of 0.60% above benchmark

Top 10 holdings at 31/03/2013

1	Holding	Value £	% of portfolio
1	TREASURY INDEX-LINKED 2.500% 16-APR-2020	7,093,071	2.93
2	UNITED KINGDOM GILT 3MO-INFLAT 1.875% 11/22/2022	6,662,080	2.75
3	UNITED KINGDOM GILT 3MO-INFLAT 1.250% 11/22/2027	6,267,817	2.59
4	TREASURY INDEX-LINKED 2.500% 17-JUL-2024	6,259,365	2.59
5	UNITED KINGDOM GILT 3MO-INFLAT 1.250% 11/22/2055	5,108,913	2.11
6	UNITED KINGDOM GILT 8MO-INFLAT 2.000% 01/28/2035	4,810,014	1.99
7	UNITED KINGDOM GILT 3MO-INFLAT 1.250% 11/22/2032	4,805,802	1.99
8	UNITED KINGDOM GILT 3MO-INFLAT 1.125% 11/22/2037	4,498,672	1.86
9	UNITED KINGDOM GILT 8MO-INFLAT 4.125% 07/22/2030	3,928,964	1.62
10	UNITED KINGDOM GILT 3MO-INFLAT 0.750% 03/22/2034	3,849,045	1.59
Top 10 Holdings Market Value			22.02
Total Legal & General Market Value			241,975,000

Legal & General

Top 10 holdings excludes investments held within pooled funds.

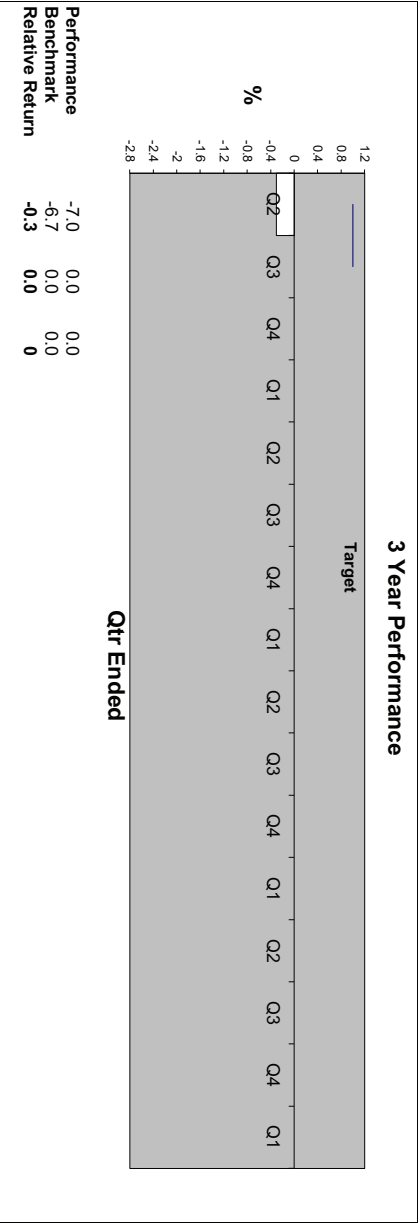
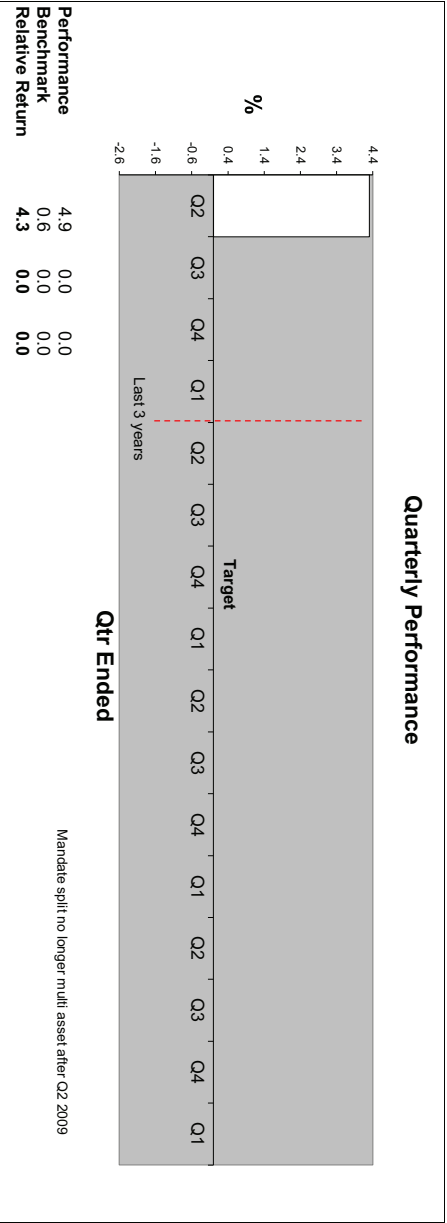


UBS Three Year Annualised Performance

	Overseas Equities	Target
Q4 2010	1.1	1.0
Q1 2011	1.5	1.0
Q2 2011	0.8	1.0
Q3 2011	-0.3	1.0
Q4 2011	1.4	1.0
Q1 2012	0.9	1.0
Q2 2012	-0.7	1.0
Q3 2012	-1.3	1.0
Q4 2012	-1.6	1.0
Q1 2013	-1.5	1.0

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 8



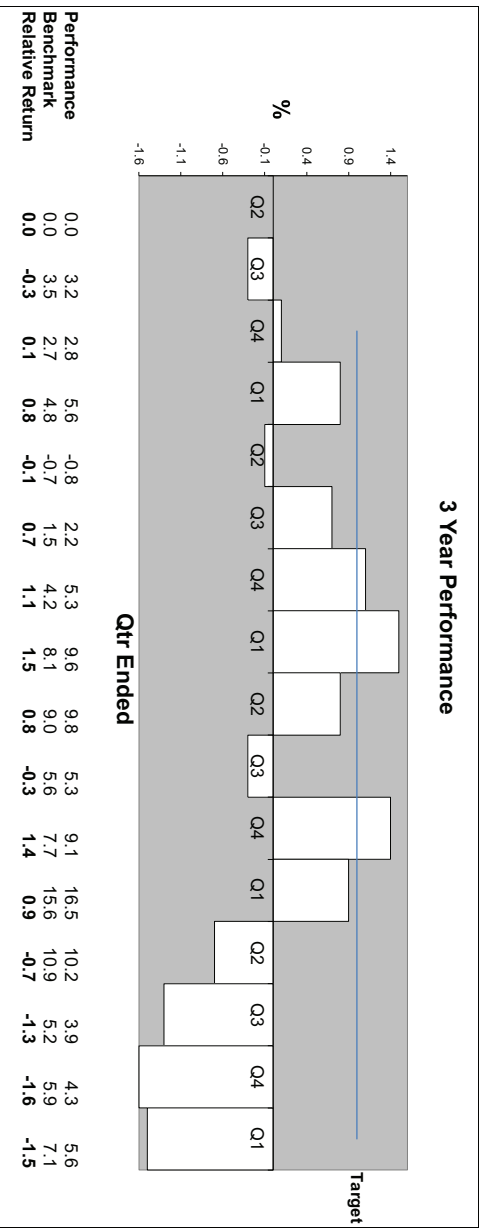
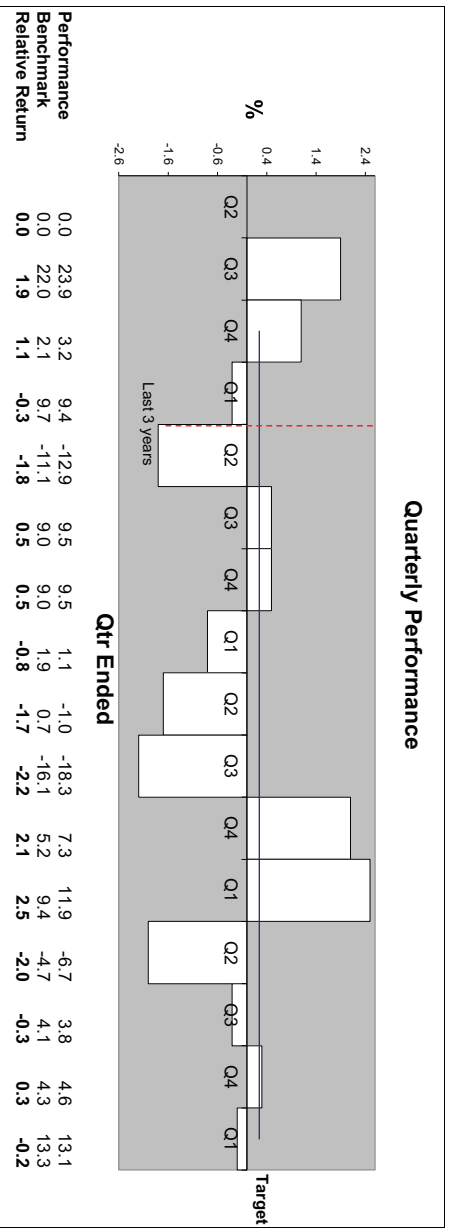
Target Returns

Rolling annual target of 1.00% above benchmark

**UBS - Multi
Asset**

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 9



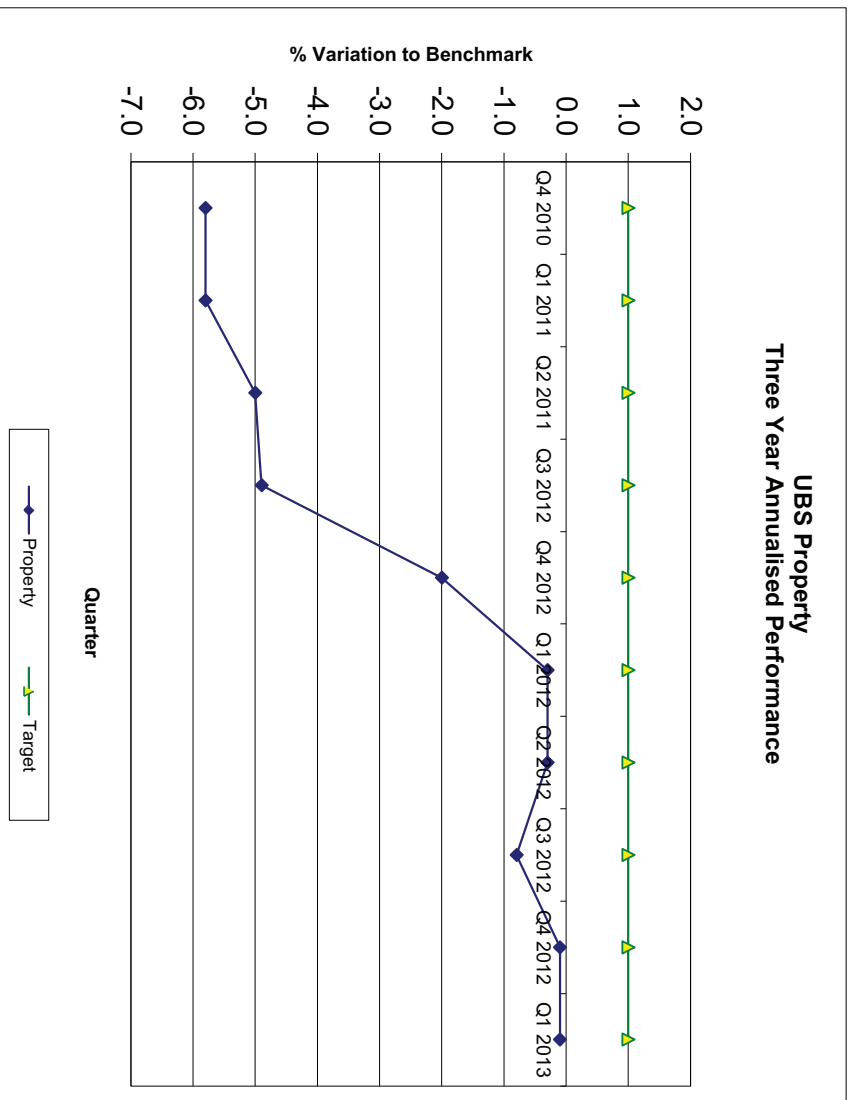
Target Returns

Rolling annual target of 1.00% above benchmark

**UBS -
Overseas
Equities**

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

GRAPH 10

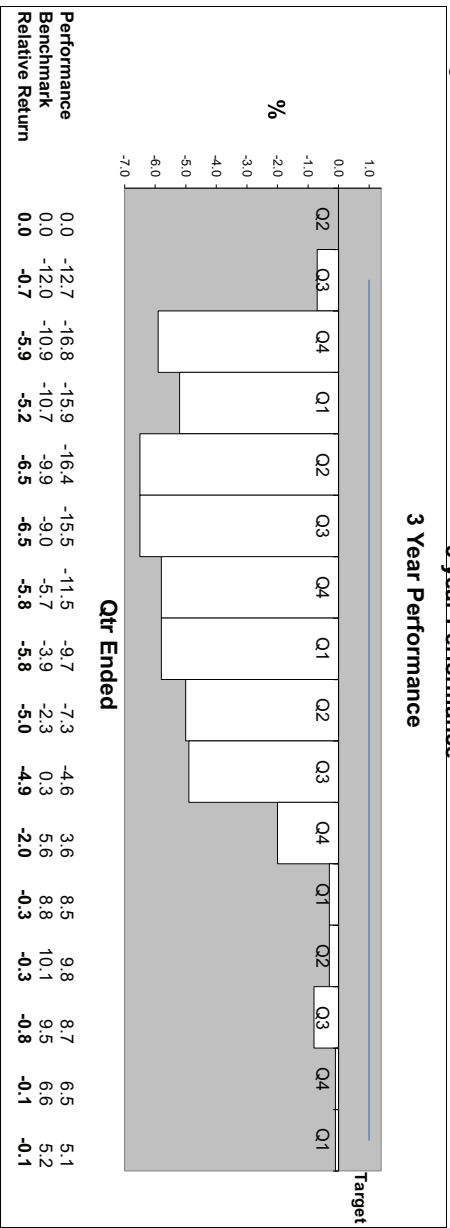
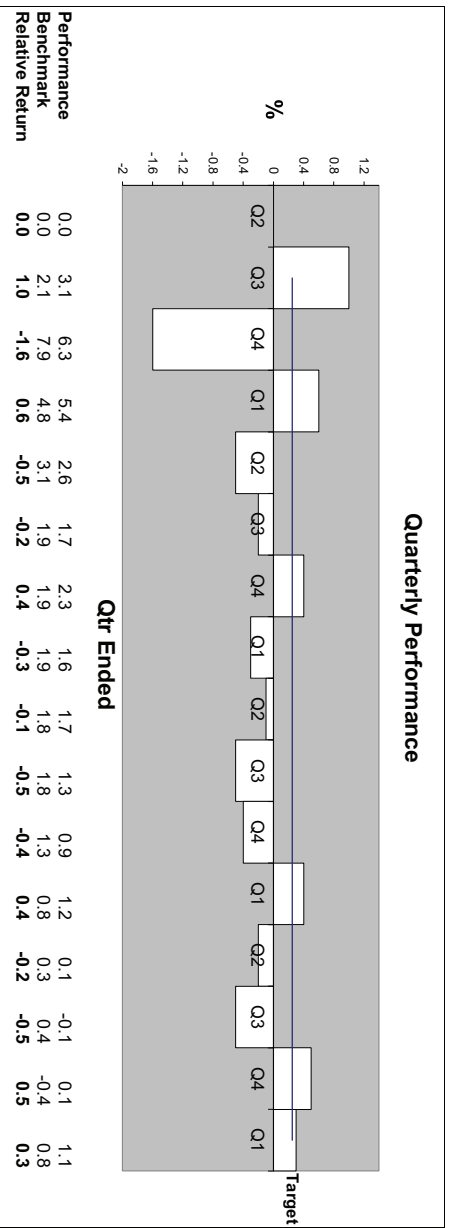


UBS Three Year Annualised Performance

	Property	Target
Q4 2010	-5.8	1.0
Q1 2011	-5.8	1.0
Q2 2011	-5.0	1.0
Q3 2012	-4.9	1.0
Q4 2012	-2.0	1.0
Q1 2012	-0.3	1.0
Q2 2012	-0.3	1.0
Q3 2012	-0.8	1.0
Q4 2012	-0.1	1.0
Q1 2013	-0.1	1.0

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 11



Target Returns

Rolling annual target of 1.0% above benchmark

Top 10 holdings at 31/03/2013

Rank	Holding	Value £	% of portfolio
1	BLACKROCK UK PROPERTY FUND	9,906,808	12.55
2	SCHRODERS GBP I INC	6,175,960	7.82
3	STANDARD LIFE POOLED PTTY FD	5,887,617	7.46
4	PRUDENTIAL CORP PENSIONS PTTY	5,506,845	6.97
5	REAL ESTATE - EUROPEAN FUND	5,215,824	6.61
Top 10 Holdings Market Value		32,693,054	41.41
Total UBS Property Market Value		78,945,000	

**UBS -
Property**

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PENSION FUND COMMITTEE – 14 JUNE 2013

OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

Report by the Independent Financial Adviser

The Economy

1. Growth in the 4th quarter of 2012 was negative for UK and the Eurozone, and only marginally positive in the US and Japan. China's growth dipped below 8% for 2012, and was provisionally reported as +7.7% (annualised) for the first quarter of 2013. Forecasts for 2013 and 2014 (see table below) show little improvement in developed economies' growth rates from last year.

(In the Table below, the consensus estimates at the time of the March Committee are shown in brackets).

Consensus real growth (%)						Consumer prices latest (%)
	2010	2011	2012	2013E	2014E	
UK	+1.6	+0.9	-0.1	(+0.9) +0.7	+1.5	+2.8 (CPI)
USA	+2.9	+1.7	+2.2	(+1.9) +2.1	+2.7	+1.5
Eurozone	+1.7	+1.5	-0.5	(-0.1) -0.5	+0.9	+1.2
Japan	+4.2	-0.7	+1.9	(+1.0) +1.3	+1.3	-0.9
China	+10.3	+9.2	+7.8	(+8.5) +8.4	+7.8	+2.1

[Source: The Economist, 04.05.13]

2. In the **UK** Budget on March 20th, George Osborne confirmed that the debt/GDP ratio was not expected to peak until 2017/18, while the slower GDP growth forecast would cause the annual fiscal deficit to plateau – instead of falling – between 2012 and 2014. In February, the Bank of England's Inflation Report accepted that CPI inflation would remain above its 2% target for the remainder of 2013 and would not be reined in by tighter monetary policy. The Bank's programme of Quantitative Easing (QE) has not been resumed,

despite the support of a minority of members of the Monetary Policy Committee (including the Governor).

3. **US** employment data for February looked positive, with higher non-farm payroll numbers, and unemployment falling to 7.7%, but the numbers for March were disappointing. With no agreement reached on the US fiscal package, automatic spending cuts of \$85bn took effect on March 1st. The Fed's QE programme of \$85bn/month remains in force.
4. In **Japan**, the new Prime Minister, Shinzo Abe, has pressed ahead with his radical new economic policy. The three strands are monetary stimulus to tackle deflation; fiscal stimulus to boost private demand; and structural reforms to boost growth. The newly-appointed Governor of the Bank of Japan, Mr Kuroda, has adopted the new inflation target of 2%, and in early April the Bank announced a monetary policy which aims to double the amount of money in circulation in two years, mainly by buying more long-term government bonds. This rate of expansion is twice as fast as that being pursued in the US by the Federal Reserve. The immediate reaction in markets was further weakness of the Yen, accompanied by gains in equities and bonds.
5. The Italian elections in late-February produced no clear winner, but the predominant support for anti-austerity candidates created nervousness in markets and Italian government bond yields rose. A greater shock within the **Eurozone** was the announcement of the terms of the bailout of Cyprus' banks in mid-March. Initially this included a levy on all deposits, even those below the insurance ceiling of €100,000. Amid a general outcry, the terms were soon amended so as to exempt small depositors but to impose a larger levy on bigger accounts in order to meet the €5.8bn required by the European authorities to accompany their own €10bn injection. The two main banks in Cyprus were also reorganised as part of the bailout. Fears that, in future, individuals' savings could be at risk have introduced a new element of uncertainty into markets. On May 2, the ECB announced a 25bps cut in its main interest rate, to 0.5%, in an attempt to stimulate economic recovery.

Markets

6. **Equities** enjoyed an extremely strong quarter, boosted by private sector flows from the fixed income and cash markets, and continued buoyancy as a result of the large QE programmes by Central Banks. Emerging Market equities, however, continue to lag behind other regions, as shown in the following table. US equities surpassed their previous high of 2007. During April, major regional indices were flat in sterling terms, except for Japan which gained 6%.

Capital return (in £, %) to 31.03.13			
Weight %	Region	3 months	12 months
100.0	FTSE All-World Index	+13.3	+13.8
50.3	FTSE All-World North America	+17.1	+16.6
8.4	FTSE All-World Japan	+18.4	+11.8
13.1	FTSE All-World Asia Pacific ex Japan	+8.2	+13.1
16.3	FTSE All-World Europe (ex-UK)	+ 9.1	+12.5
8.0	FTSE All-World UK	+ 8.8	+11.5
10.5	FTSE All-World Emerging Markets	+ 5.1	+ 4.0

[Source: FTSE All-World Review, March 2013]

UK FTSE All-Share



7. By global industrial sector, Basic Materials was far and away the weakest performer during the quarter, mainly on fears of a slowdown in the Chinese economy and the likely effect on demand for raw materials.

Capital return (in £, %) to 31.03.13		
Industry Group	3 months	12 months
Health Care	+21.3	+28.9
Consumer Services	+17.8	+24.6
Financials	+13.5	+20.0
Consumer Goods	+16.0	+17.7
Industrials	+14.0	+14.4
FTSE All-World	+13.3	+13.8
Telecommunications	+11.3	+10.6
Utilities	+12.4	+ 5.9
Oil & Gas	+10.3	+ 3.9
Technology	+10.9	+ 1.9
Basic Materials	+ 0.1	- 4.1

[Source: FTSE All-World Review, March 2013]

8. Within UK equities, the mid- and small-cap sections of the market once again outpaced the FTSE 100, and have now risen some 10 percentage points more than the large-cap index during the past year.

(Capital only %, to 31.3.13)	3 months	12 months
FTSE 100	+ 8.7	+11.7
FTSE 250	+12.5	+21.8
FTSE Small Cap	+11.3	+21.8
FTSE All-Share	+ 9.3	+13.2

9. At the start of the year, yields in the 'safe-haven' **Government Bond** markets rose, as investors moved into equities or other bond markets, but the inconclusive Italian election result and the eruption of the Cyprus crisis caused a flight back to quality, and yields ended the quarter little changed. Japanese bonds strengthened in anticipation of the BoJ's purchasing programme, disregarding the planned increase in inflation which is at the heart of the government's new economic policy. Italian 10-year government bonds rallied at the end of April, on the formation of a coalition government, to trade at below 4% - their lowest yield since October 2010.

10-year government bond yields (%)					
	Dec 09	Dec 10	Dec 2011	Dec 2012	Mar 2013
US	3.84	3.34	1.88	1.76	1.85
UK	4.01	3.39	1.98	1.85	1.78
Germany	3.40	2.92	1.83	1.32	1.29
Japan	1.29	1.12	0.98	0.79	0.57

[Source: Financial Times]

The 10-year Treasury yield in the US has now been below 2% almost continuously since March 2012.

Generic 10yr US Treasury Yield



Property

10. The commercial UK market remains sluggish. The total return on All Property was just 2.5% for the year to March [IPD Monthly Index] which implies a fall in capital values during the year. Office and Industrial each returned some 4%, while Retail returned only 0.7% in the year.

Currency

11. The main features of the currency markets were the continuing decline of the yen, on consideration of Japan's new monetary policy, and the weakness of the pound.

	31.12.12	31.03.13	£ move
\$ per £	1.625	1.518	- 6.6%
€ per £	1.233	1.182	- 4.1%
¥ per £	140.5	142.8	+ 1.6%

The pound dipped below \$1.50 briefly during March, but recovered to \$1.55 by the end of April.



Commodities

12. The oil price was flat during the quarter, but fell in mid-April when the disappointing China growth figures were announced. Gold, meanwhile, was slightly lower over the quarter, but then – together with other precious metals – fell very sharply in the second week of April. This was attributed variously to a reaction to economic data, Central Bank sales of gold or simply speculative activity.



Outlook

13. The surge in equity prices in recent months has removed much of the anomaly between equity and bond valuations which prevailed in autumn 2012. The QE programmes being operated by Central Banks – including, now, the Bank of Japan – are clearly driving down the yields of government bonds and freeing up money for investment elsewhere. However, the continuing sluggish economic growth in developed markets will bear down on the outlook for corporate profit growth for many companies. In my view, equity markets are likely to pause for breath for some months after their recent exertions.

Peter Davies

Independent Financial Adviser

May 3rd, 2013

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of the Local Government Act 1972.

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Division(s): N/A

PENSION FUND COMMITTEE – 14 JUNE 2013

THE NEW LOOK LGPS 2014 (UPDATE)

Report by Assistant Chief Executive and Chief Financial Officer

Introduction

1. The Committee previously received reports in March 2012 and December 2012 regarding the New Look Local Government Pension Scheme (LGPS). This report is to further update the Committee on the progress of the implementation of the New Look Local Government Pension Scheme (LGPS) 2014 and the Regulations which have been issued to date for comment.
2. This report also looks at the consultation document issued in relation to Councillor Pensions. The consultation papers are attached at Annex 1.

Public Services Pensions Act 2013

3. The Public Services Pensions Bill received Royal Assent on 25 April 2013. The Act sets out the common framework for all public sector pension schemes to have career average revalued earning schemes, and broadly linking normal retirement age to the State Pension Age. Other provisions introduce four defined roles within the governance framework:
 - The Responsible Authority – responsible for policy and making of regulations. For the LGPS this role will be carried out by the Department of Communities and Local Government (DCLG).
 - The Scheme Manager - responsible for managing or administering the scheme. This role will be carried out by the Administering Authority.
 - The Pension Board – has both a compliance and scrutiny role responsible for ensuring the scheme manager is complying with its statutory responsibilities. Currently this function can be carried out by the same committee as The Scheme Manager; however we await confirmation in the new Regulations.
 - The Scheme Advisory Board - to advise the Responsible Authority on appropriate regulatory changes. In advance of the creation of the Scheme Advisory Board, Ministers have agreed to the establishment of the Shadow Scheme Advisory Board for the LGPS to inform and test the process of operation prior to the Board's statutory formation in 2014 as well as five sub-committees
4. The Act allows for the same committee to carry out the role of both Scheme Manager and Pension Board. However there are concerns about the conflict

of interests and how these will be addressed within the legislation. It should also be noted that the Pension Board's must comprise equal representation from employers and employees which may not be deemed appropriate for the responsibilities of the Scheme Manager.

5. The Act also requires schemes to maintain costs within defined margins as part of the revised cost control mechanism.

LGPS 2014

6. In March 2013 DCLG issued further consultation documents covered:
 - Draft Local Government Pension Scheme Regulations 2013
 - Draft Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2013
 - Draft Local Government Pension Scheme (Miscellaneous) Regulations 2013
7. The Draft LGPS Regulations 2013 (bullet point 1) gave the detail of the benefit regulations which will be in place post April 2014. The consultation response which had to be submitted in early May was generally seeking to confirm understanding or seek further advice as to how the detailed regulation would work, as the principles had already been subject to consultation and generally agreed.
8. The second part of the consultation (bullet point 2) deals with issues around pre 2014 membership, what protections apply to that membership and how benefit calculations will be carried out to include these periods of membership.
9. The third part of the consultation updates the Miscellaneous Regulations which came into force in October 2012. The main point of significance included here is the requirement that where a body ceases to be a scheme employer for reasons specified in the Regulations, now including having no active members, there are further requirements on how the administering authority deals with the closure valuation.
10. If the body ceasing to participate in the scheme is unable to pay the closure valuation then the administering authority is required to obtain a further rates and adjustment certificate to either recover the monies from the sponsoring employer, or all fund employers.
11. This revision of employer contribution rates will ensure that assets equivalent to the closure valuation are paid to the fund over such period of time as considered reasonable by the administering authority.
12. It should be noted that there is still a significant amount of work needed to finalise the drafting of these Regulations to make them operable from April 2014. Examples of the work yet to be finalised are:

- How the revaluation will work.
- The potential for negative revaluation.
- Final salary protection in prescribed criteria / cuts in pay
- Membership – how this will be purchased.

Consultation on Councillor Pensions

13. Councillor members were allowed to join the Local Government Pension Scheme from May 2003 provided their Council made a resolution to allow them to do so. In Oxfordshire, the County and all Districts bar one made such an election to allow their Councillors to join the scheme from 2004 onwards.
14. As at 31 March 2013 there were 76 Councillors in the Oxfordshire Local Government Pension Scheme Fund.
15. The Government, as part of their review of the public sector pension schemes, issued a consultation paper in April to determine whether Councillors should be eligible to join the LGPS in future. This followed an earlier statement by Brandon Lewis MP, the Minister of State at the Department for Communities and Local Government which suggested that all Councillor Membership should cease from April 2014.
16. The Consultation paper which is attached at Annex 1 now invites comments on three options including the retention of the status quo. This option reflects the strength of feeling from many across local government about the benefits of retaining the current arrangements, both in terms of recruitment and retention of individuals willing to stand as Councillors, as well as ensuring those who are charged with the local administration of the Funds can bring personal knowledge of the LGPS into their deliberations.
17. This paper has been passed to Oxfordshire County Council and District Councils to respond. Consultation responses are required by 05 July 2013. This Committee are invited to make any comments which can be included within the response from the County Council.

Next Steps

18. It is anticipated that a full set of draft Regulations will be issued for further consultation in June 2013.
19. Nationally, the Local Government Association is in discussion with major systems providers but until the full set of regulations and the supporting government actuary department guidance are in place, we are rather restricted on detailed action.
20. Many of the requirements for record keeping in the new scheme will fall to the scheme employers therefore Pension Services will need to ensure all employers have the capability to manage the requirements of effectively

running two schemes with completely different reporting requirements through their pay systems.

21. A communications strategy about new scheme for both employers and employees is being drafted ready for launch in September.

RECOMMENDATION

22. **The Committee is RECOMMENDED to note the report.**

Sue Scane
Assistant Chief Executive and Chief Finance Officer

Background papers:
Contact Officer: Sally Fox, Pension Services Manager, Tel: (01865) 797111

May 2013



Department for
Communities and
Local Government

Taxpayer-funded pensions for councillors and other elected local office holders

Consultation

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If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

April 2013

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The consultation process and how to respond

Scope of the consultation

Topic of this consultation:	Access by councillors and other elected local office holders to the taxpayer-funded Local Government Pension Scheme 2014 and contribution rates.
Scope of this consultation:	This consultation seeks responses from interested parties, including local taxpayers, councillors and other elected local office holders and their representative bodies, on access by councillors and other elected local office holders to the taxpayer-funded Local Government Pension Scheme to come into force in April 2014. It also covers the contribution rates that should apply to any such persons who remain active members of the Scheme.
Geographical scope:	England only.

Basic information

To:	This consultation is aimed at local taxpayers, councillors and other elected local office holders in England and their representative bodies and all Local Government Pension Scheme interested parties.
Body responsible for the consultation:	The Department for Communities and Local Government is responsible for policy and the consultation exercise.
Duration:	12 weeks.
Interested parties:	<p>We are seeking views from the following parties and individuals, with an interest in the Local Government Pension Scheme:</p> <p>All local taxpayers</p> <p>The Chief Executives of:</p> <ul style="list-style-type: none"> County Councils (England) District Councils (England) Metropolitan Borough Councils (England) Unitary Councils (England) County and County Borough Councils in Wales London Borough Councils South Yorkshire Pension Authority Tameside Metropolitan Borough Council Wirral Metropolitan Borough Council

	<p>Bradford Metropolitan City Council South Tyneside Metropolitan Borough Council Wolverhampton Metropolitan Borough Council London Pension Fund Authority</p> <p>Town Clerk, City of London Corporation Clerk, South Yorkshire Passenger Transport Authority Clerk, West Midlands Passenger Transport Authority Police and Crime Commissioners in England and Wales Association of Police and Crime Commissioners Local Government Association Employers' Organisation Local Government Pensions Committee</p> <p>The Mayor of London The Greater London Authority</p> <p>Individual councillors Councillor representative bodies including: Conservative Councillors' Association Association of Liberal Democrat Councillors Labour councillors' groups Local Government Association political groups National Association of Councillors</p> <p>Association of Local Authority Chief Executives Society of Local Authority Chief Executives Chartered Institute of Public Finance and Accountancy Association of Local Authority Medical Advisors</p> <p>Association of Consulting Actuaries Association of District Treasurers Society of County Treasurers Society of Metropolitan Treasurers Society of London Treasurers</p> <p>National Association of Pension Funds National Association of Local Councils</p> <p>Trades Union Congress GMB UCATT UNISON Unite</p> <p>Equality and Human Rights Commission</p>
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Background

Getting to this stage:	This consultation is part of the planned process of wider reform of the Local Government Pension Scheme that began with the commitment given in the Coalition government's programme to review the long term affordability and sustainability of public service pension schemes.
Previous engagement:	On 19 December 2012, the Local Government Minister, Brandon Lewis, made a Written Ministerial Statement to Parliament, setting out government proposals to remove access by councillors to the taxpayer-funded Local Government Pension Scheme in England from April 2014 and made the commitment to consult on these proposals.

How to respond

1. You should respond to this consultation by **5 July 2013**.
2. You can respond by email to CouncillorPensions@communities.gsi.gov.uk

When responding, please ensure you have the words "Councillor Pensions" in the email subject line.

Alternately you can write to:

Councillor Pensions
Department for Communities and Local Government
Zone 5/F5 Eland House
Bressenden Place
LONDON
SW1E 5DU

3. When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please give a summary of the people and organisations it represents and, where relevant, who else you have consulted in reaching your conclusions.

Additional copies

4. This consultation paper is available on the Department for Communities and Local Government website at: <https://www.gov.uk/dclg>

Confidentiality and data protection

6. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

7. If you want the information that you provide to be treated as confidential, please be aware that, under the Freedom of Information Act 2000, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, in itself, be regarded as binding on the department. **There is a particular need for openness and transparency on payments to elected representatives, and councillor allowances and expenses are already made public by law. Consequently, in this consultation, councils and councillors should not assume that representations marked 'confidential' will remain so.**

8. The Department of Communities and Local Government will process your personal data in accordance with the Data Protection Act 1998 and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. Individual responses will not be acknowledged unless specifically requested.

Help with queries

10. Questions about the policy issues raised in the document can be sent to the address given at paragraph 2 above.

11. A copy of the Consultation Principles Guidance is at <http://www.cabinetoffice.gov.uk/resource-library/consultation-principles-guidance>. Are you satisfied that this consultation has followed these principles? If not or you have any other observations about how we can improve the process please email: consultationcoordinator@communities.gsi.gov.uk

or write to:

DCLG Consultation Co-ordinator, Zone 4/J1, Eland House, Bressenden Place
London SW1E 5DU.

Introduction

- 1.1 This document commences a period of statutory consultation on access by councillors and other elected local office holders in England to the taxpayer-funded, Local Government Pension Scheme which will come into effect from 1 April 2014. It also covers the contribution rates that should apply to any such persons that remain active members of the Scheme. Your comments are invited on all parts of the consultation document, but in particular Chapter 3 – Proposals for consultation.
- 1.2 Your comments should be sent to: Councillor Pensions, Department for Communities and Local Government, Zone 5/F5, Eland House, Bressenden Place, London SW1E 5DU. Electronic responses can be sent to CouncillorPensions@communities.gsi.gov.uk.
- 1.3 **The closing date for responses is 5 July 2013.**

Background

- 1.4 This consultation is part of the planned process of wider reform of the Local Government Pension Scheme that began with the commitment given in the Coalition government's programme to review the long term affordability and sustainability of taxpayer-funded pension schemes.
- 1.5 On 19 December 2012, the Local Government Minister, Brandon Lewis, made a Written Ministerial Statement to Parliament, setting out government proposals to limit access by councillors to the taxpayer-funded Scheme in England from April 2014¹. This statutory consultation fulfils the commitment to consult on these issues.
- 1.6 Ministers stated that councillors are not full-time politicians or salaried town hall staff. Since that announcement, Ministers believe there has been broad-based public backing for the government's original proposal. The public seem generally surprised that councillors are receiving taxpayer-funded pensions at all.
- 1.7 Following the Written Ministerial Statement, the government has reflected further on the need to take a consistent approach to councillors and other elected local office holders, notably elected mayors and members of the London Assembly. This consultation therefore proposes an option under which there would be no access to the taxpayer-funded Local Government Pension Scheme for these groups either.

¹ <http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm121219/wmstext/121219m0001.htm>

Setting the context

- 1.8 Following an original announcement on 12 September 2001, councillors were given access in 2003 to a special section of the Local Government Pension Scheme, where permitted by the local authority's remuneration panel. Councillors who are members of the taxpayer-funded Scheme receive both retirement and death benefits for a flat contribution rate of 6% of their basic and special responsibility allowances. In addition, an employer contribution is paid by the local authority: which is taxpayer-funding. Typical council contributions for future service and past service deficits range between 15% and 30% with an average of around 22%.
- 1.9 The provision allowing for councillors' pensions in England is contained in Section 18(3A) of the Local Government and Housing Act 1989 and the Local Authority (Members' Allowances) (England) Regulations 2003 made under the powers contained in that section; separate provisions exist for Welsh councillors. Schedule 8 to the Local Government Pension Scheme Regulations 1997 retained by transitional provisions introduced as part of scheme reforms in 2008, contains the detailed provisions as to the calculation and payment of benefits.
- 1.10 Benefits of the councillors' Scheme include a pension for life calculated as 1/80th of their career average pay for each year they are a member of the Scheme (increased annually with the appropriate cost of living index); a tax-free lump sum of 3x their annual pension and life cover lump sum of 2x career average pay. Other benefits include ill health early retirement and survivor benefits for eligible family members.
- 1.11 Councillors are eligible for their allowances to be pensionable if the local independent remuneration panel made a recommendation to that effect and that the relevant council accepted that recommendation. Where that is secured, councillors can then opt into the Scheme provided they are no more than 75 years of age.
- 1.12 The Councillors' Commission published a report in 2007² noting that 912 councillors in England had joined the pension Scheme by 2004. A Taxpayers' Alliance survey in February 2009³, across the whole United Kingdom, found that 3,527 councillors had pensions as of 2007-08; a further survey in January 2012⁴ found that figure had increased to 4,548 councillors by 2010-11.
- 1.13 The position in Wales is subject to separate arrangements. While the Local Government Pension Scheme is not a devolved matter, the

²<http://webarchive.nationalarchives.gov.uk/20080910134927/http://www.communities.gov.uk/documents/localgovernment/pdf/583990.pdf>

³<http://www.taxpayersalliance.com/CSU2-pensions.pdf>

⁴<http://www.taxpayersalliance.com/pensioncontributions2012.pdf>

pensionability of councillors' allowances is devolved to Welsh Ministers. Therefore Wales is not covered by this consultation.

- 1.14 Apart from councillors, there are other elected office holders who are currently entitled to participate in the Scheme, including, the Mayor of London; members of the London Assembly and police and crime commissioners, each of whom have access to the Scheme separate from the provisions for councillors.
- 1.15 The Mayor of London and members of the London Assembly were given access to the Local Government Pension Scheme when the Greater London Authority was established in 2000. Under section 26 of the Greater London Authority Act 1999, the Authority has the power to make provision for the payment of pensions to the Mayor and Assembly members and the government has allowed it to do so by means of the Local Government Pension Scheme.
- 1.16 While it is for the Greater London Authority to determine whether pensions should be provided for the Mayor and Assembly Members, the government can determine whether they should have access to the Scheme.
- 1.17 Police and crime commissioners were allowed access to the Local Government Pension Scheme in November 2012, as part of an agreed package of remuneration. Given that the commissioners have only recently taken up their new posts, the government does not propose to consult on removing their access to the Scheme at this immediate point in time.

Auto-enrolment

- 1.18 The government does not consider that councillors are employed by local authorities or that they are workers or part-time workers. On this basis, it believes that councillors are not subject to the requirement for auto-enrolment under the Pensions Act 2008.

The case for change

- 1.19 As part of wider public service pension reform, the government has been considering whether councillors and other directly elected local office holders should continue to have access to the taxpayer-funded Local Government Pension Scheme.
- 1.20 Councillors are volunteers, elected to their local council to represent their local community. Councillors are not paid a salary or wages, but they are entitled to allowances and expenses to cover their out-of-pocket costs of carrying out their public duties.
- 1.21 However, the government has become concerned that allowances have slowly become a form of salary, a situation exacerbated by state-funded pensions. This could have a negative effect on local democracy

and the independence of councillors to represent their communities if it blurred the distinction with paid employees.

- 1.22 The Mayor of London and members of the London Assembly are paid a salary. Nevertheless, the government is not convinced that membership of the taxpayer-funded Scheme is appropriate for any local elected office holder. The Greater London Authority is a tier of local government.
- 1.23 Carrying forward the provision into the new Scheme would perhaps be justified if no other form of supplementary pension provision was available. But closing off councillors' access to the new taxpayer-funded Scheme would not prevent them from making good any potential shortfall in their personal pension provision elsewhere.
- 1.24 We are not aware of any evidence that provides an assessment of whether offering access to the taxpayer-funded Scheme has resulted in any change in the number of people putting themselves forward for service as councillors or other elected office holders. Respondents to this consultation are welcome to make representations on this point.

Proposals for consultation

- 1.25 The government does not, as a matter of principle, believe that councillors and other local elected office holders should have access to a taxpayer-funded pension scheme designed for employees. However, the government is aware that there are other opinions on this matter and that some support full-time 'professionalisation' of councillors.
- 1.26 Taking these and the other points into consideration, the government has identified three options for consultation whereby councillors and local elected office holders may, or may not, access the new Scheme from 2014. Police and crime commissioners would remain eligible for Scheme membership under each option.
- **Option 1:** No access to the new Local Government Pension Scheme from April 2014 through being directly elected to local office. Thus, councillors; elected mayors; the Mayor of London and members of the London Assembly would be excluded from active Scheme membership – **this is the government's preferred position;**
 - **Option 2:** Two-tier membership - continued access for 'front bench' councillors only. This option could include just elected mayors (including the Mayor of London) and elected leaders or could encompass all those with a special responsibility allowance (including members of the London Assembly) – the government would welcome views on which councillors and elected local office holders should be eligible if this option were to be pursued;
 - **Option 3:** No change. Access to the taxpayer-funded Local Government Pension Scheme remains for all councillors and elected local office holders on the same basis as at present.
- 1.27 Whichever option is pursued, those already in the Scheme would have their accrued rights up to April 2014 fully protected.
- 1.28 Furthermore, whatever the outcome, these proposals would not prevent councillors and other elected office holders contributing to a personal pension and be able to put aside part of their (taxable) allowances or salary and receive income tax relief should they wish to, subject to the prevailing tax rules.
- 1.29 **Question 1: Taking account of the issues raised in this consultation document and any other considerations, what option do you prefer and why?**
- 1.30 **Question 2: Do you have any alternative proposals on councillors and other elected office holders access to the Scheme?**

- 1.31 In addition, as part of this consultation, the government will consider whether withdrawal of continued access to the taxpayer-funded Scheme will cause hardship in any individual cases, and whether anything could or should be done to mitigate this. The government therefore requests any evidence to assist this consideration.

Contribution rates

- 1.32 The government's preferred option is to end access to the Scheme for councillors. However, this consultation also considers the issue of contribution rates.
- 1.33 Currently all councillors that are members of the taxpayer-funded Scheme play a flat rate of 6%, regardless of the level of their allowances. If councillors continue to have access post April 2014 and if that rate continued, some councillors' contribution rates would be out of kilter with the rest of the Scheme, placing too high a burden on local taxpayers.
- 1.34 It is proposed therefore, that from April 2014, any councillors who remain members of the Scheme are moved away from a flat rate 6% contribution to a tiered tariff based on the level of allowances received.
- 1.35 The government proposes that councillor contributions be brought in line with the rest of the Local Government Pension Scheme with a floor limit of 6%. Current proposals for the new Scheme would allow for the following councillor contribution rate:

<i>Pensionable allowance range</i>	<i>Contribution rate</i>
Up to £21,000	6%
£21,001 to £34,000	6.5%
£34,001 to £43,000	6.8%
£43,001 to £60,000	8.5%
£60,001 to £85,000	9.9%
£85,001 to £100,000	10.5%
£100,001 to £150,000	11.4%
£150,001 or more	12.5%

- 1.36 **Question 3: If councillors continue to have access, do you agree with the proposed change in contribution rate? If not, what contribution rate would you recommend?**
- 1.37 Police and crime commissioners, the Mayor of London and members of the London Assembly (if they continue to have access) are already members of the main Scheme and will therefore automatically move to the new Scheme contribution rates (with normal employees) from April 2014.

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Division(s): N/A

PENSION FUND COMMITTEE – 14 JUNE 2013

REVIEW OF PENSION FUND POLICIES

Report by the Assistant Chief Executive and Chief Financial Officer

Introduction

1. Under the various Local Government Pension Scheme Regulations, the Pension Fund Committee as the Administering Authority of the Oxfordshire Pension Scheme is required to produce and maintain a number of key policy documents. The last comprehensive review of all such policies was in June 2012. Since that time, a number of the policies have been updated in line with individual decisions taken by the Committee. This report presents the latest version of these policies for them to be formally endorsed by the Committee.
2. Whilst not a formally required policy under the LGPS Regulations, this report also presents a formal Scheme of Delegation to be endorsed by the Committee. This Scheme of Delegation brings together those areas previously agreed by this Committee where decisions have been delegated to officers of the Council.

Policies for Endorsement

3. The key policies to be reviewed and endorsed are set out as Annexes to this report. The key issues with each policy, including any changes to the Policy is set out below

Annex 1 – The Funding Strategy Statement.

4. The Funding Strategy Statement sets out the Fund's approach to managing the solvency of the Fund, and is the framework which guides the work of the Fund Actuary in completing the Triennial Valuation of the Pension Fund.
5. The initial Funding Strategy Statement was prepared in 2005 with considerable support from the Fund's then Actuary. The Committee carried out a consultation exercise as part of a fundamental review of the Statement in 2009/10 and agreed a number of changes to the Statement to increase flexibility around recovery periods, stepping arrangements and the treatment of admitted bodies. In March 2013 the Committee determined changes in respect of the pooling arrangement in respect of academy schools.
6. As part of the current review, the Funding Strategy Statement has been updated to reflect previous decisions of the Committee in respect of cessation

valuations, and the approach required under the proposed New Look LGPS 2014.

Annex 2 – The Statement of Investment Principles

7. The Statement of Investment Principles sets out the Committee's approach to the investment of the Fund's resources. This document was also subject to a review in March 2013 when changes were agreed to reflect the outperformance target for the Fund as a whole, the voting policy and changes to the investment limits. No further changes are proposed at this time.

Annex 3 - Governance Policy and Governance Compliance Statement

8. The Governance Policy sets out the arrangements for the management of the Pension Fund, and the Governance Compliance Statement sets out the extent that this policy complies with best practice.
9. The only changes to the documents since the review in June 2010 have been to reflect the recent decision to increase the size of the Pension Fund Committee from 9 to 11 Members, and to note the growing number of Academy schools as a distinct group with no direct representation on the Pension Committee
10. The Fund remains only partially compliant in respect of scheme member representation and Committee member training. The latter issue arises from the fact that substitute members of the Committee are not restricted to those who have undergone specific pension fund training, and the Committee does not approve a specific training programme for the Committee members themselves.

Annex 4 – Communication Policy

11. The Communication Policy sets out the Fund's key communication messages and channels. It has been tidied up this year, although there are no fundamental changes in approach.
12. However as we head into a time of significant change for the Local Government Pension Scheme and pensions in general, we will be regularly reviewing this policy to ensure it meets the demands of communicating the changes within the New Look LGPS 2014, meeting the challenges of the new governance and transparency agendas, as well as meeting any formal requirements following the Department of Works and Pensions current review of the Disclosure Regulations.

Annex 5 – Early Release of Benefits Policy

13. The Early Release of Pension Benefits Policy covers the Administering Authorities approach to dealing with cases for early release of pension benefits where the last employer of the scheme member is no longer in

existence. This Policy was initially approved by the Pension Fund Committee at its meeting in December 2012.

Annex 6 - Scheme of Delegation

14. The Scheme of Delegation was introduced in June 2012 to bring together all areas where the Pension Fund Committee has previously delegated decisions to Officers of the Council.
15. The Scheme has been updated to reflect the various decision of this Committee over the last 12 months including:
 - the officers responsible for determining complaints under the Internal Disputes Resolution Procedure (IDRP),
 - officers responsible for determining the payment of death benefits,
 - voting practices
 - debt write offs below £500
 - delegated powers under the new Early Release of Benefits Policy
 - delegated powers under the new procedure for making payments to an authorised person where the scheme member is incapable of managing their own affairs and
 - the admission of new admitted bodies.

RECOMMENDATION

16. **The Committee is RECOMMENDED to approve the revised policy documents as set out in Annexes 1-6 to this report, noting the main changes in the documents as discussed above.**

SUE SCANE
Assistant Chief Executive and Chief Financial Officer

Background papers: None
Contact Officer: Sean Collins, Service Manager (Pensions, Insurance & Money Management) – 01865 797190

May 2013

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Oxfordshire Pension Fund

Funding Strategy Statement

Introduction

1. The Oxfordshire Pension Fund is administered by Oxfordshire County Council under the relevant Local Government Pension Scheme Regulations. Under regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008, the Administering Authority must publish and keep under a review a Funding Strategy Statement. The Regulations further stipulate that this statement must be prepared with due reference to the relevant CIPFA guidance as published in 2004.

2. This current version of the Funding Strategy Statement for the Oxfordshire Pension Fund was approved by the Pension Fund Committee at its meeting on 14 June 2013. This statement replaces all previous versions of the Funding Strategy Statement, and is based on the initial version agreed in 2005, plus the changes agreed at the Pension Fund Committee meetings on 19 March 2010 and 8 March 2013 following a full consultation exercise with the scheme employers.

3. The Funding Strategy Statement will be subject to further review to allow for the impact of the forthcoming proposals for changes to the Local Government Pension Scheme itself, as well as the changing nature of membership of the Fund and the growing maturity of the Fund. Any change will only be made after full consultation with all scheme employers.

Purpose of the Funding Strategy Statement

4. The three main purposes of this Funding Strategy Statement are:
 - To establish a clear and transparent strategy, specific to the Fund, which will identify how employer pension liabilities are best met going forward.
 - To support the regulatory requirement in relation to the desirability of maintaining as nearly constant employer contribution rates as possible.
 - To take a prudent longer-term view of the funding of the Fund's liabilities.

Aims and Purpose of the Pension Fund

5. The aims of the Pension Fund are:

- To enable employer contribution rates to be kept as near stable as possible, at a reasonable cost to the scheme employers and taxpayers, whilst ensuring the overall solvency of the Fund. The Administering Authority recognises a number of conflicting aspects within this aim, and is responsible for managing the balance between such conflicts. Balance needs to be struck between investing in higher risk assets which over the long term reduce the cost to scheme employers and the tax-payer, against investing in low risk assets which will reduce short term fluctuations in contribution levels required. Similarly a balance needs to be struck between maintaining stable contribution rates and raising rates to ensure solvency.
- To ensure there are sufficient resources available to meet all pension liabilities as they fall due. This includes ensure sufficient liquid resources to meet regular pension payments, transfer payments out of the Fund, lump sum payments on retirement etc. as well as meeting any drawdown calls on the Fund's investments. It is the Administering Authority's policy that all payments are met in the first instance from incoming employer and employee contributions to avoid the expense of dis-investing assets. At the present time the annual contributions to the Fund significantly exceed the payments out, so facilitating this aim. The Fund also retains a working balance of cash to ensure sufficient resources are available to manage the irregular nature of the payments out of the Fund.
- To manage the individual employer liabilities effectively. This is undertaken by receiving regular advice from the actuary, and ensuring employers are separately billed in respect of ad hoc liabilities outside those taken into account as part of the tri-annual valuation e.g. hidden costs associated with early retirements.
- To maximise the income from investments within reasonable risk parameters. As noted above, the achievement of this aim needs to be balanced against the need to maintain as near stable employer contribution rates. To minimise risk, all investments are made within the restrictions imposed by the Management and Investment of Funds Regulations, alongside a number of Fund specific restrictions to ensure a diversification of investment classes, and individual assets. The Fund cannot restrict investments on social or ethical grounds. The Fund's principal concern is to invest in the best financial interests of its employing bodies and beneficiaries. Investment Managers should monitor and assess the social, environmental and ethical

considerations which may impact on the reputation of a particular company, as well as the company's sensitivities to its various stakeholders. Investment Managers should engage with companies on these issues where appropriate. Such a policy should ensure the sustainability of a company's earnings, and hence its merits as an investment.

6. The purpose of the Fund is to:
 - Pay out monies in respect of pension benefits, transfer values and the costs of scheme administration and investments; and
 - Receive monies in respect of contributions, transfer values and investment income.

Responsibilities of Key Parties

7. The effective management of the Pension Fund relies on all interested parties fully exercising their duties and responsibilities. The key parties involved are the Administering Authority, the individual employers within the Fund, and the Fund's Actuary.

8. The key responsibilities of the Administering Authority are:
 - Collect of all contributions due to the Fund. This includes making sure all employers within the Fund are aware of the requirement under the Pensions Act that all contributions are paid over by the 19th of each month following the month the member was paid, and escalating matters of non-compliance to the Pension Fund Committee. The Administering Authority is also responsible for the collection of final contributions once an employer ceases membership of the Fund.
 - Investing all surplus monies within the Fund in accordance with the relevant Regulations, and the Fund's Statement of Investment Principles.
 - Ensure there is sufficient cash available to meet all liabilities as they fall due.
 - Maintain adequate records for each individual scheme member.
 - Pay all benefits and transfer payments in accordance with the Regulations.
 - Manage the Valuation process in consultation with the Fund's Actuary, providing all membership and financial information as requested by the Actuary, and managing all necessary communication between the Actuary and the individual Scheme Employers.

- Prepare and maintain all policy documents as required under the Regulations including the Funding Strategy Statement, the Statement of Investment Principles, the Communication Policy, and Governance Compliance Statement, consulting scheme employers and other stakeholders as required.
- Monitor all aspects of the performance of the Fund, and in particular the funding level of the Fund.

9. The key responsibilities of individual employers are:

- Correctly deduct contributions from employee pay.
- Pay all contributions due to the Fund, including both employee and employer contributions, and additional contributions in respect of the hidden costs of early retirements, promptly by their due date.
- Exercise their discretion in line with the Regulatory Framework, including maintaining policies for early retirement, ill-health retirement, awarding of additional benefits etc.
- Provide adequate membership records to the Administering Authority as required.
- Notify the Administering Authority of all changes in membership details.
- Notify the Administering Authority of all issues which may impact on future funding, or future membership of the scheme at the earliest possible date.

10. The key responsibilities of the Fund Actuary are:

- Prepare triennial valuations including setting employer contribution rates after agreeing assumptions with the Administering Authority and having regard to the Funding Strategy Statement.
- Prepare advice and calculations in connection with bulk transfers and individual benefit-related matters.

Solvency and Target Funding Levels

11. The Fund must determine the level at which the Fund will be deemed solvent, and should then aim for a target funding level whereby the assets of the Fund, and anticipated future income streams (by way of investment income and contributions) meet this solvency level in respect of the anticipated liabilities of the Fund.

12. The Funding Strategy Statement must set out how solvency and target funding issues will be addressed across different classes of scheme

employer, and the timescales against which any deficit recovery plan must be delivered.

13. Solvency Level – The Pension Fund Committee has determined that the solvency level should be set such that the value of current assets, and anticipated income streams is equal to 100% of the anticipated value of future liabilities. Any lower figure cannot be sustained in the longer term, and therefore would introduce an unacceptable level of risk into the management of the Fund and the delivery of the Funds aims.
14. Funding Level – The funding level is the percentage the current assets and future income streams form of the anticipated liabilities at any given time. The Actuary will calculate the current funding level based on a series of financial assumptions to be agreed with the Administering Authority. In particular the Actuary will seek to smooth short term variations in asset values rather than taking the strict market value at the point of valuation.
15. In discounting the value of the liabilities back to the point of the valuation, the Actuary will in general allow for an assumed premium investment return from equity and other higher risk assets held in the Fund. Where the future participation within the Fund is not assured, or at the point a cessation valuation is required, the Administering Authority retains the right to instruct the Actuary to complete a valuation on a low risk basis, such that the future liabilities are discounted by reference to current gilt yields, with no allowance for the premium investment return from higher risk assets. Where an employer is pooled, or where another scheme employer is prepared to underwrite the financial risks, valuations can still be undertaken on an on-going/higher risk basis, even where there is a question about the long term participation of an employers within the Fund.
16. The funding level of individual employers will in general be based on a shared investment experience (i.e. it is assumed that the assets allocated to each employer all hold an identical proportion of each asset class), but the individual membership experience of each employer's individual scheme members (i.e. liabilities will reflect the individual retirement decisions of scheme employers/members, patterns of ill-health retirements etc, so that no one employer is required to subsidise the decisions of another – although see pooling arrangements below).
17. Deficit Recovery Plans – Where the triennial valuation identifies the funding level of any given employer has fallen below the target funding level a deficit recovery plan must be agreed. The Committee has agreed that in normal circumstances any deficit recovery plan must aim to restore the funding level

to the 100% target within a maximum of 25 years. This was set as the standard Recovery Period in the 2007 Valuation.

18. The Administering Authority retains the right to require a shorter recovery period where it has concerns about the financial standing of the employer, or where it has concerns regarding the level of an employer's participation in the Fund going forward (e.g. significant decline in membership numbers, admission is linked to a short term service contract etc). Individual employers have the right to negotiate a lower recovery period than the standard period if they so wish.
19. In cases of exceptional financial hardship, and where the fall in funding level is seen to have been heavily influenced by short term factors which will not remain in the longer term the Administering Authority does have the discretion to agree a longer recovery period than the standard 25 years, to maintain a more stable employer contribution rate. It should be noted that this discretion will not be exercised where the Administering Authority believes the nature of the pressure on the funding level is long term in nature, and the extension of the recovery period is simply going to shift the increase in contribution rates to a later period.
20. The Actuary, in consultation with the Administering Authority may choose to vary the recovery period downwards for any individual employer in order to maintain as near stable contribution rate as possible.
21. The Administering Authority also has the discretion to agree stepping arrangements with individual employers, to enable them to manage an increase in their contribution rate over a number of years. The standard stepping period will be a period of 3 years, but in exceptional circumstances the Administering Authority has the discretion to increase this to 6 years. This again should be seen as a mechanism for maintaining as near stable contribution rates as possible, rather than a means for delaying an inevitable increase in contribution rates.
22. The Administering Authority has the discretion to instruct the Actuary to set a contribution rate that recovers the deficit to the target funding level by way of a cash figure, rather than the traditional percentage of pensionable pay. This protects the Fund from the risk of under-recovery where the pensionable pay of the employer falls during the recovery period. Since the 2010 Valuation, the Administering Authority agreed that the deficit payments for all smaller employers must be made by way of a cash amount, whilst allowing the larger employers to determine between a cash amount and a percentage of pensionable pay.

23. Pooling – Whilst in general the funding level of each individual employer will be based on its own membership experience, it is recognised that this can create high volatility in an employer’s contribution rate, and therefore their financial standing and/or their continued participation in the Fund.
24. Some of the most vulnerable employers within the Fund are the small transferee admission bodies, who have been admitted to the Fund following the successful bid for an outsourcing contract from one of the scheduled scheme employers. Not only are such employers exposed to the risks associated with their size, but because of the fixed term nature of their participation in the Fund (in line with the length of their service contract) they are less able to benefit from the discretions available in managing any subsequent deficit recovery plan.
25. The Administering Authority therefore has the discretion, following consultation with the sponsoring scheme employer, to allow such transferee admission bodies to be pooled with their sponsoring employer. As transferee admission agreements require the sponsoring employer to under-write any future pension costs associated with the transferee admission body, such pooling arrangements involve no greater risk whilst maintaining more stable contribution rates in regards to the delivery of the outsourced service. At the end of any such admission agreement, any cessation valuation can be undertaken on the standard high risk basis, or the assets and liabilities can be retained within the pool and the deficit carried forward and allocated as part of the re-tendering of the service.
26. The Fund has also pooled together the smaller scheduled/designated employers, and separately the remaining smaller admitted bodies. Each employer within the pool shares the same membership experience, so for example the costs of a single expensive ill-health retirement are shared across all employers in the pool rather than falling to the employer who employed the scheme member at the point of their retirement.
27. Following a consultation exercise at the beginning of 2013, the Administering Authority determined that all Academy Schools with 50 or less LGPS members should be required to pool as a standalone group. A small Academy School can seek the approval of the Administering Authority to permanently opt out of the pool where the Administering Authority is satisfied there is a suitable financial case with all future pension liabilities underwritten by the Academy Trust. Any Academy School with over 50 LGPS members has the right to opt to join the pool on a permanent basis.

28. The Administering Authority will also consider applications from individual academy schools under a single Umbrella Trust to operate a single pool for all academies within the Umbrella Trust. (The Administering Authority will treat a Multi-Academy Trust as a single employer and therefore with its own individual employer contribution which applies to all schools within the Trust – subject to total members exceeding 50).
29. If an employer ceases to be a member of the Fund (whether through choice, the ending of a service contract, or the departure of their last active member), the Administering Authority will instruct the Actuary to carry out a cessation valuation, unless the deficit is held as part of a pooling arrangement for a transferee admission body. As noted above, the cessation valuation will be undertaken on a low risk basis, unless another scheme employer has underwritten the financial risk. The Administering Authority will explore payment plan proposals to meet the cessation cost over an agreed period of time, to reduce the risk of non-payment and ensure the Fund maximises the receipt of money due.
30. Where a scheme employer fails to meet the cessation valuation, the cost will fall to the sponsoring employer in the case of a transferee admission body, the other members of the pool for a pooled body, and the Fund as a whole in all other cases. Similarly, where liabilities accrue in respect of scheme members where their former employer is no longer a scheme employer (orphan liabilities), these liabilities will fall to be met by a sponsoring employer, specific pool or Fund as a whole in line with unmet cessation costs.

Links to Investment Policy as set out in the Statement of Investment Principles

31. This Funding Strategy Statement has been prepared in light of the Fund's Statement of Investment Principles (SIP). This document sets out the strategic allocation of the Fund's investments, the restrictions on investment, and the benchmarks against which Fund Management performance will be measured. A target outperformance of 1.0% above these benchmarks has been set for the Fund as a whole.
32. As noted above, the Actuary takes note of the actual investment allocation and the split between high and low risk assets in determining the discount factor to be applied to scheme liabilities. This allocation is in turn determined by the Statement of Investment Principles. As the Fund becomes more mature (i.e. the ratio of pensioners/deferred members to active members increases), the investment approach as set out in the Statement of Investment

Principles will move to reduce the overall level of risk. This in turn will worsen the funding level, and require an increase in contribution rates to ensure solvency of the Fund as a whole.

33. The Fund has previously consulted on changing the Funding Strategy Statement to allow multiple investment approaches to reflect the different levels of maturity of individual scheme employers. The consultation identified no real appetite for such a change, nor a current need, and as such, the Fund maintains a single investment strategy for the whole Fund.

Identification of Risks and Counter-Measures

34. The Administering Authority recognises a number of risk areas in the establishment of its funding strategy. These risks fall broadly under the headings of financial, demographic, regulatory and governance.
35. The key financial risks are around the variations to the main financial assumptions used by the actuary in completing their valuation. This includes the financial markets not achieving the expected rate of return, and/or individual Fund Managers failing to meet their performance targets. The main approach to counter this risk is to ensure diversification of the investment portfolio, and the employment of specialist Fund Managers. The Pension Fund Committee with advice from their officers, and their Independent Financial Advisor monitor performance on a quarterly basis.
36. In completing their valuation, the Actuary does provide a sensitivity analysis around the key financial assumptions, including future inflation forecasts. The Actuary also produces a quarterly monitoring report to consider movements in the Funding Level since the last valuation.
37. The demographic risks largely relate to changing retirement patterns and longevity. The Actuary reviews past patterns at each Valuation and adjusts their future forecasts accordingly. Where possible, employers are charged with the cost of retirement decisions made outside the valuation assumptions and in particular, are required to meet the hidden costs of early retirements.
38. The regulatory risks are in respect of changes to the LGPS Regulations themselves, as well as the impact of changes in taxation and national insurance rules, and national pension issues (e.g. the current auto-enrolment changes). The Administering Authority monitors all consultation documents which impact on the Fund, and responds directly to the Government. Where

appropriate, the Administering Authority will seek advice from the Actuary on the potential impact of regulatory changes.

39. The main governance risks arise through unexpected structural changes in the Fund membership through large scale out-sourcings, redundancy programmes or closure of admission agreements. The main measures to counter such risks are regular communications between the Administering Authority and scheme employers, as well as monitoring of the monthly contribution returns to indicate changing trends in membership.
40. The main governance risks can be mitigated to an extent by the ability to set shorter recovery periods where there are doubts about an employer's future participation in the Fund, as well as the requirement to pay all deficit contributions by way of a cash figure rather than as a percentage of the pensionable pay bill.

Monitoring and Review

41. The Administering Authority has undertaken to review this Funding Strategy Statement at least once every three years, in advance of the formal valuation of the Fund.
42. The Administering Authority will also monitor key events and consider an interim review of the Funding Strategy Statement where deemed necessary. Such key events include
 - a significant change in market conditions,
 - a significant change in Fund membership,
 - a significant change in Scheme benefits, and
 - a significant change to the circumstances of one or more scheme employers.

June 2013

Oxfordshire Pension Fund

Funding Strategy Statement

Introduction

1. The Oxfordshire Pension Fund is administered by Oxfordshire County Council under the relevant Local Government Pension Scheme Regulations. Under regulation 35 of the Local Government Pension Scheme (Administration) Regulations 2008, the Administering Authority must publish and keep under a review a Funding Strategy Statement. The Regulations further stipulate that this statement must be prepared with due reference to the relevant CIPFA guidance as published in 2004.

2. This current version of the Funding Strategy Statement for the Oxfordshire Pension Fund was approved by the Pension Fund Committee at its meeting on 14 June 2013. This statement replaces all previous versions of the Funding Strategy Statement, and is based on the initial version agreed in 2005, plus the changes agreed at the Pension Fund Committee meetings on 19 March 2010 and 8 March 2013 following a full consultation exercise with the scheme employers.

3. The Funding Strategy Statement will be subject to further review to allow for the impact of the forthcoming proposals for changes to the Local Government Pension Scheme itself, as well as the changing nature of membership of the Fund and the growing maturity of the Fund. Any change will only be made after full consultation with all scheme employers.

Purpose of the Funding Strategy Statement

4. The three main purposes of this Funding Strategy Statement are:
 - To establish a clear and transparent strategy, specific to the Fund, which will identify how employer pension liabilities are best met going forward.
 - To support the regulatory requirement in relation to the desirability of maintaining as nearly constant employer contribution rates as possible.
 - To take a prudent longer-term view of the funding of the Fund's liabilities.

Aims and Purpose of the Pension Fund

5. The aims of the Pension Fund are:

- To enable employer contribution rates to be kept as near stable as possible, at a reasonable cost to the scheme employers and taxpayers, whilst ensuring the overall solvency of the Fund. The Administering Authority recognises a number of conflicting aspects within this aim, and is responsible for managing the balance between such conflicts. Balance needs to be struck between investing in higher risk assets which over the long term reduce the cost to scheme employers and the tax-payer, against investing in low risk assets which will reduce short term fluctuations in contribution levels required. Similarly a balance needs to be struck between maintaining stable contribution rates and raising rates to ensure solvency.
- To ensure there are sufficient resources available to meet all pension liabilities as they fall due. This includes ensure sufficient liquid resources to meet regular pension payments, transfer payments out of the Fund, lump sum payments on retirement etc. as well as meeting any drawdown calls on the Fund's investments. It is the Administering Authority's policy that all payments are met in the first instance from incoming employer and employee contributions to avoid the expense of dis-investing assets. At the present time the annual contributions to the Fund significantly exceed the payments out, so facilitating this aim. The Fund also retains a working balance of cash to ensure sufficient resources are available to manage the irregular nature of the payments out of the Fund.
- To manage the individual employer liabilities effectively. This is undertaken by receiving regular advice from the actuary, and ensuring employers are separately billed in respect of ad hoc liabilities outside those taken into account as part of the tri-annual valuation e.g. hidden costs associated with early retirements.
- To maximise the income from investments within reasonable risk parameters. As noted above, the achievement of this aim needs to be balanced against the need to maintain as near stable employer contribution rates. To minimise risk, all investments are made within the restrictions imposed by the Management and Investment of Funds Regulations, alongside a number of Fund specific restrictions to ensure a diversification of investment classes, and individual assets. The Fund cannot restrict investments on social or ethical grounds. The Fund's principal concern is to invest in the best financial interests of its employing bodies and beneficiaries. Investment Managers should monitor and assess the social, environmental and ethical

considerations which may impact on the reputation of a particular company, as well as the company's sensitivities to its various stakeholders. Investment Managers should engage with companies on these issues where appropriate. Such a policy should ensure the sustainability of a company's earnings, and hence its merits as an investment.

6. The purpose of the Fund is to:
 - Pay out monies in respect of pension benefits, transfer values and the costs of scheme administration and investments; and
 - Receive monies in respect of contributions, transfer values and investment income.

Responsibilities of Key Parties

7. The effective management of the Pension Fund relies on all interested parties fully exercising their duties and responsibilities. The key parties involved are the Administering Authority, the individual employers within the Fund, and the Fund's Actuary.

8. The key responsibilities of the Administering Authority are:
 - Collect of all contributions due to the Fund. This includes making sure all employers within the Fund are aware of the requirement under the Pensions Act that all contributions are paid over by the 19th of each month following the month the member was paid, and escalating matters of non-compliance to the Pension Fund Committee. The Administering Authority is also responsible for the collection of final contributions once an employer ceases membership of the Fund.
 - Investing all surplus monies within the Fund in accordance with the relevant Regulations, and the Fund's Statement of Investment Principles.
 - Ensure there is sufficient cash available to meet all liabilities as they fall due.
 - Maintain adequate records for each individual scheme member.
 - Pay all benefits and transfer payments in accordance with the Regulations.
 - Manage the Valuation process in consultation with the Fund's Actuary, providing all membership and financial information as requested by the Actuary, and managing all necessary communication between the Actuary and the individual Scheme Employers.

- Prepare and maintain all policy documents as required under the Regulations including the Funding Strategy Statement, the Statement of Investment Principles, the Communication Policy, and Governance Compliance Statement, consulting scheme employers and other stakeholders as required.
 - Monitor all aspects of the performance of the Fund, and in particular the funding level of the Fund.
9. The key responsibilities of individual employers are:
- Correctly deduct contributions from employee pay.
 - Pay all contributions due to the Fund, including both employee and employer contributions, and additional contributions in respect of the hidden costs of early retirements, promptly by their due date.
 - Exercise their discretion in line with the Regulatory Framework, including maintaining policies for early retirement, ill-health retirement, awarding of additional benefits etc.
 - Provide adequate membership records to the Administering Authority as required.
 - Notify the Administering Authority of all changes in membership details.
 - Notify the Administering Authority of all issues which may impact on future funding, or future membership of the scheme at the earliest possible date.
10. The key responsibilities of the Fund Actuary are:
- Prepare triennial valuations including setting employer contribution rates after agreeing assumptions with the Administering Authority and having regard to the Funding Strategy Statement.
 - Prepare advice and calculations in connection with bulk transfers and individual benefit-related matters.

Solvency and Target Funding Levels

11. The Fund must determine the level at which the Fund will be deemed solvent, and should then aim for a target funding level whereby the assets of the Fund, and anticipated future income streams (by way of investment income and contributions) meet this solvency level in respect of the anticipated liabilities of the Fund.
12. The Funding Strategy Statement must set out how solvency and target funding issues will be addressed across different classes of scheme

employer, and the timescales against which any deficit recovery plan must be delivered.

13. Solvency Level – The Pension Fund Committee has determined that the solvency level should be set such that the value of current assets, and anticipated income streams is equal to 100% of the anticipated value of future liabilities. Any lower figure cannot be sustained in the longer term, and therefore would introduce an unacceptable level of risk into the management of the Fund and the delivery of the Funds aims.
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15. In discounting the value of the liabilities back to the point of the valuation, the Actuary will in general allow for an assumed premium investment return from equity and other higher risk assets held in the Fund. Where the future participation within the Fund is not assured, or at the point a cessation valuation is required, the Administering Authority retains the right to instruct the Actuary to complete a valuation on a low risk basis, such that the future liabilities are discounted by reference to current gilt yields, with no allowance for the premium investment return from higher risk assets. Where an employer is pooled, or where another scheme employer is prepared to underwrite the financial risks, valuations can still be undertaken on an on-going/higher risk basis, even where there is a question about the long term participation of an employers within the Fund.
16. The funding level of individual employers will in general be based on a shared investment experience (i.e. it is assumed that the assets allocated to each employer all hold an identical proportion of each asset class), but the individual membership experience of each employer's individual scheme members (i.e. liabilities will reflect the individual retirement decisions of scheme employers/members, patterns of ill-health retirements etc, so that no one employer is required to subsidise the decisions of another – although see pooling arrangements below).
17. Deficit Recovery Plans – Where the triennial valuation identifies the funding level of any given employer has fallen below the target funding level a deficit recovery plan must be agreed. The Committee has agreed that in normal circumstances any deficit recovery plan must aim to restore the funding level

to the 100% target within a maximum of 25 years. This was set as the standard Recovery Period in the 2007 Valuation.

18. The Administering Authority retains the right to require a shorter recovery period where it has concerns about the financial standing of the employer, or where it has concerns regarding the level of an employer's participation in the Fund going forward (e.g. significant decline in membership numbers, admission is linked to a short term service contract etc). Individual employers have the right to negotiate a lower recovery period than the standard period if they so wish.
19. In cases of exceptional financial hardship, and where the fall in funding level is seen to have been heavily influenced by short term factors which will not remain in the longer term the Administering Authority does have the discretion to agree a longer recovery period than the standard 25 years, to maintain a more stable employer contribution rate. It should be noted that this discretion will not be exercised where the Administering Authority believes the nature of the pressure on the funding level is long term in nature, and the extension of the recovery period is simply going to shift the increase in contribution rates to a later period.
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23. Pooling – Whilst in general the funding level of each individual employer will be based on its own membership experience, it is recognised that this can create high volatility in an employer's contribution rate, and therefore their financial standing and/or their continued participation in the Fund.
24. Some of the most vulnerable employers within the Fund are the small transferee admission bodies, who have been admitted to the Fund following the successful bid for an outsourcing contract from one of the scheduled scheme employers. Not only are such employers exposed to the risks associated with their size, but because of the fixed term nature of their participation in the Fund (in line with the length of their service contract) they are less able to benefit from the discretions available in managing any subsequent deficit recovery plan.
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Links to Investment Policy as set out in the Statement of Investment Principles

31. This Funding Strategy Statement has been prepared in light of the Fund's Statement of Investment Principles (SIP). This document sets out the strategic allocation of the Fund's investments, the restrictions on investment, and the benchmarks against which Fund Management performance will be measured. A target outperformance of 1.0% above these benchmarks has been set for the Fund as a whole.
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Principles will move to reduce the overall level of risk. This in turn will worsen the funding level, and require an increase in contribution rates to ensure solvency of the Fund as a whole.

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Identification of Risks and Counter-Measures

34. The Administering Authority recognises a number of risk areas in the establishment of its funding strategy. These risks fall broadly under the headings of financial, demographic, regulatory and governance.
35. The key financial risks are around the variations to the main financial assumptions used by the actuary in completing their valuation. This includes the financial markets not achieving the expected rate of return, and/or individual Fund Managers failing to meet their performance targets. The main approach to counter this risk is to ensure diversification of the investment portfolio, and the employment of specialist Fund Managers. The Pension Fund Committee with advice from their officers, and their Independent Financial Advisor monitor performance on a quarterly basis.
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appropriate, the Administering Authority will seek advice from the Actuary on the potential impact of regulatory changes.

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Monitoring and Review

41. The Administering Authority has undertaken to review this Funding Strategy Statement at least once every three years, in advance of the formal valuation of the Fund.
42. The Administering Authority will also monitor key events and consider an interim review of the Funding Strategy Statement where deemed necessary. Such key events include
 - a significant change in market conditions,
 - a significant change in Fund membership,
 - a significant change in Scheme benefits, and
 - a significant change to the circumstances of one or more scheme employers.

June 2013

Oxfordshire Pension Fund

Governance Policy Statement

Introduction

1. This is the Governance Policy Statement of the Oxfordshire Local Government Pension Scheme (LGPS) Pension Fund, as required under Section 31 of the Local Government Pension Scheme (Administration) Regulations 2008.
2. As required by the Regulations, the Statement covers:
 - Whether the Administering Authority delegates its functions in relation to maintaining a pension fund to a committee, sub-committee or officer of the Authority;
 - The frequency of any committee/sub-committee meetings;
 - The terms of reference, structure and operational procedures in relation to the use of the delegated powers; and
 - Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

Governance of the Oxfordshire Pension Fund

3. Under the Government requirements for a Cabinet structure in local government, the management of the pension fund is seen as a non-executive function i.e. the Cabinet or equivalent body should not carry it out.
4. Oxfordshire County Council, acting as Administering Authority for the Fund, has determined to delegate all functions relating to the maintenance of a pension fund to the Pension Fund Committee.

Oxfordshire Pension Fund Committee – Terms of Reference

5. Under the terms of the County Council's constitution, the terms of reference for the Pension Fund Committee are:
 - The functions relating to local government pensions etc specified in Paragraph 1 in Schedule H of Schedule 1 to the Functions Regulations, together with functions under Section 21 of the Oxfordshire Act 1985 (division of county superannuation fund).
 - The functions under the Fireman's Pension Scheme specified in Paragraph 2 in Section H of Schedule 1 to the Functions Regulations.

6. A more detailed interpretation of these terms of reference includes the following:
 - a) respond as appropriate to the Government on all proposed changes to the Local Government Pension Scheme
 - b) regularly review and approve the asset allocation for the pension fund's investment
 - c) approve and maintain the fund's Statement of Investment Principles
 - d) approve and maintain the fund's Funding Strategy Statement
 - e) approve and maintain the fund's Governance Policy Statement
 - f) approve and maintain the fund's Communications Policy Statement
 - g) appoint fund managers to manage the fund's investments, and to agree and review the terms of appointment for each fund manager
 - h) review the performance of the fund, and its fund managers
 - i) appoint an actuary, independent financial advisor(s), and custodians for the fund
 - j) approve an annual report and statement of accounts for the fund
 - k) approve an annual budget and business plan for the investment and administration of the fund
 - l) consider, and if appropriate, approve applications of employers to become admitted bodies to the fund
 - m) consider all other relevant matters to the investment and administration of the fund.

Membership of the Committee

7. The Committee's members shall be appointed by full Council and shall comprise
 - 9 County Councillors appointed with political parties represented in proportion to their representation on the Council as a whole
 - 2 Representatives of the City and District Councils of Oxfordshire.

These 11 members of the Committee shall have full voting rights

8. The beneficiaries of the Fund will also have the right to be represented by an observer to the Committee. As employees of the County Council are prohibited from having voting rights on Council Committees, and as active employees of the County Council are the single largest group of stakeholders within the Fund, providing voting rights to the Observer could prejudice the appointment against the largest stakeholder group. Therefore the Observer will not have any voting rights, but has the right to speak on any issue, subject to the approval of the Chairman of the Committee. The Beneficiaries Observer will be appointed through the appropriate trade union(s).

Operational Procedures

9. The Committee will operate under the terms of conduct set out for all Committees of the County Council. The Committee will meet quarterly, with formal agendas published in advance according to the requirements on all County Council Committees. The Committee will meet in public, unless required to go into exempt session in accordance with Part 1 of Schedule 12A of the Local Government Act 1972.
10. At each meeting, the Committee will receive reports on the investment performance of the Fund. Fund Managers will be invited to attend to present information on the performance of their own portfolio, and to answer all appropriate questions from the Committee. The Committee shall determine the frequency by which each fund manager will be required to attend its meetings.
11. Each meeting of the Committee will be attended by the appointed independent financial advisor(s) who will provide advice on all investment matters. This advice will include drawing to the committee's attention, all appropriate matters associated with the performance of the individual fund managers.
12. Any member of the public has the right to seek to address the Committee by making a formal request in advance of the meeting.

13. The Committee will consult formally with all employers on issues where it has a statutory duty to do so, before it undertakes the responsibilities set out above. This includes the formal consultation with all employers before agreeing the Statement of Investment Principles, and the Funding Strategy Statement, and any significant subsequent changes.

Informal Governance Arrangements

14. As well as the formal governance arrangements as set out above, the Pension Fund Committee will hold an Annual Forum to which all scheme employers are invited. This Forum will cover a review of investment performance, as well as any other items relevant at that time.
15. The Committee will also hold ad hoc communication and consultation meetings to which all employers will be invited, and issue ad hoc communication and consultation documents to all employers, where it is deemed appropriate to obtain the views of all employers, before undertaking the responsibilities as set out above.

June 2013

Oxfordshire Pension Fund

Governance Compliance Statement

Principle A – Structure

a.	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	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.	Not Applicable
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Not Applicable
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.	Not Applicable

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Oxfordshire County Council acting as Administering Authority has determined to delegate all functions relating to the management of the Pension Fund to the Pension Fund Committee.

Principle B – Representation

a.	<p>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"> • Employing authorities (including non-scheme employers e.g. admitted bodies) • Scheme members (including deferred and pensioner scheme members) • Where appropriate, Independent professional observers, and • Expert advisors (on an ad hoc basis) 	Partly compliant
b.	<p>That where lay 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.</p>	Compliant

Please use this space to explain reasons for non-compliance

The Pension Fund Committee contains representatives of the County Council (9 Members) and the 5 City and District Councils (2 Members). The Committee is also attended by a Beneficiaries Observer, appointed by the Unions to represent all scheme members (including deferred and pensioners). The Committee though does not include any representation from other key stakeholders, including Brookes University, the colleges, the Housing Associations, the small scheduled bodies and small admitted bodies, and the Academy schools. It has been determined that given the decision to manage all functions through a single Committee, increasing representation to cover these other key stakeholder groups would make the Committee unworkable. These stakeholders are afforded the opportunity to contribute to significant decisions through consultation exercises, and the annual Forum for all employers.

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Principle C – Selection and Role of Lay Members

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.	Partly Compliant
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.	Compliant

Please use this space to explain reasons for non-compliance

A briefing is provided to all new members of the Committee members clearly setting out their role and responsibilities on the Pension Fund Committee. However this briefing is not given where substitute members attend the Committee.

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Principle D – Voting

a.	The policy on 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.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

Voting rights have been extended to the two District Council representatives on the Pension Fund Committee. As current employees of the County Council cannot have voting rights on a Council Committee, and as this group forms the largest single stakeholder group within the Fund, it has been determined that the Beneficiaries Observer does not have voting rights, to avoid any perverse incentive to appointing a current employee of the County Council to the position. This decision is clearly stated in the Fund's Governance Policy.

Principle E – Training/Facility Time/Expenses

a.	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision making process.	Compliant
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.	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.	Partly Compliant

Please use this space to explain reasons for non-compliance

The Committee considers each year the allocation to be provided as part of the annual budget to be spent on Committee member training, but it does not adopt a specific training programme.

Please use this space if you wish to add anything to explain or expand on the ratings given above:

The Committee approve a training budget each year as a specific part of the business planning purpose. Training sessions are arranged to take place before all Committee meetings. External training courses are brought to the attention of Committee members. Training is provided free of charge, with all legitimate expenses reimbursed.

Principle F – Meetings (frequency/quorum)

a.	That an administering authority's main committee or committee meet at least quarterly	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.	Non Applicable
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.	Compliant

Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

In addition to the quarterly meetings of the main Pension Fund Committee, the Fund holds an annual Pension Fund Forum, attended by Committee Members, to which all employers are invited.

Principle G – Access

a.	That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

All information on which decisions at the main Committee are based is equally available to all Members. Under the Council's Constitution, the Chairman, Deputy Chairman and Opposition Spokesperson are invited to a briefing meeting in advance of each Committee meeting, and as such receive a briefing not available to other members, including representatives of the third political party.

Principle H – Scope

a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

The Pension Fund Committee is responsible for all aspects of managing the pension fund, and receives reports on both investment and scheme administration issues. The terms of reference include the wide power to consider all relevant investment and administration issues.

Principle I – Publicity

a.	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Compliant
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Please use this space to explain reasons for non-compliance

Please use this space if you wish to add anything to explain or expand on the ratings given above:

OXFORDSHIRE PENSION FUND
COMMUNICATION POLICY STATEMENT

Introduction

1. This is the Communication Policy Statement of the Oxfordshire Local Government Pension Scheme Pension Fund, established within the 1995 Regulations and transferred to the Local Government Pension Scheme (Administration) Regulations 2008

Purpose

2. This policy sets out the Oxfordshire Pension Fund's strategy for its communications with members, members' representatives and employing authorities.
3. The strategy also covers the promotion of the scheme to prospective members.
4. The policy applies, in the context of LGPS administration, to members as defined in Schedule 1 of the principal regulations and, in turn, by section 124(1) of the Pensions Act 1995 to include:
 - Active members
 - Deferred members, and
 - Pensioner members
5. Employing authorities, as defined within the regulations : -
 - Statutory Scheduled Bodies such as the County and District Councils, Colleges of Further Education and Oxford Brookes University; Academies
 - Resolution Bodies being the Town and Parish Councils
 - Admission Bodies, where the Pension Fund Committee have granted scheme admission

Aim

6. To ensure that all members and scheme employers, as defined above have access to full information about the scheme, their benefits, or prospective benefits due from the scheme and about the changes, both actual and proposed to the scheme regulations.
7. Oxfordshire County Council, as administering authority will make available to all scheme employers any documents relating to consultation of changes to the regulations so that they can undertake the consultation with their employees.

Communication Policy

8. Appendix 1 details the current procedures, the types and frequency of specific communications to members. The table reflects the change in method of communication gradually being adopted across the fund whilst there is no material change to the policy in the matter of what information is available.

Review of This Policy

9. It is probable that a review of the policy will be required within the next year following the results of the recent Department of Work and Pensions review of the disclosure regulations, expected in the Autumn. We will also have to review the regulatory changes under the New Look LGPS 2014. Combining new regulations and considering different delivery models we may have to make material changes to this policy in the near future.

Communication Issue	Target audience	Method	Frequency
Communication Policy	<ul style="list-style-type: none"> • Employers • Members – active, deferred pensioner and deferred pensioner members • Prospective scheme members • Employee representatives 	<ul style="list-style-type: none"> • Include in all next issues of newsletters • County web site • Make available for employers in the fund for their sites 	Initial publicity and then after any future changes to the policy.
Pension Fund report and accounts	<ul style="list-style-type: none"> • Employers • Committee • DCLG 	<ul style="list-style-type: none"> • Distribution of printed report by post and PDF to all employers • On Website 	Annually following approval by Pension Fund Committee
Summary of fund report and accounts	<ul style="list-style-type: none"> • Members 	<ul style="list-style-type: none"> • Included with the pensioner's annual increase letter • Included with one of quarterly newsletter's for active members 	Annually
Pensions Increase Notification	<ul style="list-style-type: none"> • Pensioner members 	<ul style="list-style-type: none"> • Post • Pension pages on county public Web site 	Annually – in February/March
Annual Benefit statements	<ul style="list-style-type: none"> • Active • Deferred members • Credit Members 	<ul style="list-style-type: none"> • Post to individual members' home addresses, or distributed in sealed envelopes via employers 	Annually - to be completed by September
Employers Forum	<ul style="list-style-type: none"> • Employers in the Oxfordshire Pension Fund 	<ul style="list-style-type: none"> • Meeting 	Annually - December
Regular, quarterly newsletters;	<ul style="list-style-type: none"> • Active Scheme members • With one newsletter including summary 	<ul style="list-style-type: none"> • Paper distribution with assistance from employers. • PDF to all 	Quarterly

	of fund accounts active members	employers – can be posted to their intranet or used to email <ul style="list-style-type: none"> Available to download from pension pages on the County's public website 	
Beneficiaries' Report from the Pension Fund Committee beneficiary's advisor.	<ul style="list-style-type: none"> Active members Employee representatives 	<ul style="list-style-type: none"> E mail distribution to Employers for notice boards and intra nets Posted to the Pension Fund pages on the County's public website 	Quarterly
Support for employers: Pensions User Group and employer meetings Newsletter Talks and guides	<ul style="list-style-type: none"> Employer Human Resource and Payroll contacts 	<ul style="list-style-type: none"> Meeting and topical presentations Email distribution of agenda On-line 'toolkit' administration guide for all employers on pension pages on County's public website. Email newsletter distribution. Introduction to the LGPS and administration for new employers 	<p>Quarterly</p> <p>Regular review to keep current</p> <p>Monthly to all employer contacts</p> <p>Ad hoc</p>

Communication Issue	Target audience	Method	Frequency
<p>LGPS Summary information guide and topic leaflets for members</p> <p>Membership forms Opt out forms</p>	<ul style="list-style-type: none"> • Prospective and active scheme members • Employers for new starters, job application packs to carry out their automatic enrolment duties 	<ul style="list-style-type: none"> • All forms, leaflets and guides are on the pension pages of the County public website to download. • We do supply paper copies on request Download from County web site • Email 	All year.
<p>Provide presentations and talks on LGPS matters</p> <p>Facilitate pensions seminars for Prudential 'Basic LGPS scheme and AVC talks'</p>	<ul style="list-style-type: none"> • Active members • Employers 	<ul style="list-style-type: none"> • Staff meetings • Part of pre retirement courses • Induction meetings for new joiners • Active members group meetings 	<p>All Ad hoc as required</p> <p>Timings as agreed with the Prudential and individual employer area</p>
Development of electronic information systems, external County Council web site	All targeted audiences should be able to access information, especially from the external site.	Website pages as part of the County Council public site	Regular reviews to provide current information for employers and scheme members

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OXFORDSHIRE COUNTY COUNCIL PENSION FUND
EARLY RELEASE OF BENEFITS POLICY STATEMENT

Introduction

1. This Early Release of Benefits Policy Statement of the Oxfordshire County Council Local Government Pension Scheme Pension Fund is published under the Local Government Pension Scheme (Miscellaneous) Regulations 2011. SI 2012 No. 1989.
2. The Local Government Pension Scheme (Miscellaneous) Regulations 2012 refers only to members with a deferred benefit due under the LGPS (Benefits, membership and Contribution) Regulations 2007. However, to ensure consistency the Oxfordshire County Council Pension Fund will also apply this policy to deferred and pensioner members to whom the 1995 and 1997 Regulations apply.

Purpose

3. This policy sets out the Oxfordshire County Council Pension Fund's strategy to deal with request for the early release of member benefits in cases where the former employer no longer exists, and there is no successor body, within the Oxfordshire County Council Pension Fund.
4. The policy applies, in the context of LGPS administration, to members as defined in Schedule 1 of the principal regulations and, in turn, by section 124(1) of the Pensions Act 1995 to include:
 - Deferred members
 - Pensioner members with deferred benefits
5. Employing authorities, as defined within the regulations : -
 - Statutory Scheduled Bodies such as the County and District Councils, Colleges of Further Education and Oxford Brookes University; Academies
 - Resolution Bodies being the Town and Parish Councils
 - Admission Bodies, where the Pension Fund Committee have granted scheme admission

Aim

6. To ensure that all scheme members whose former employer is no longer an active scheme employer, has access to a procedure to request early payment of their benefits, in the following circumstances: -
 - Where a scheme member applies for early payment of benefits on, or after age 55 but prior to age 60, which requires the consent of their former employer for payment to be made.

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

EARLY RELEASE OF BENEFITS POLICY STATEMENT

- Where a scheme member applies for early payment of benefits on the grounds that the member has become permanently incapable of discharging efficiently the duties of their former employment because of ill-health or infirmity of mind or body and has a reduced likelihood of being capable of gainful employment before normal retirement age, or at least three years, whichever is earlier. This will require the Oxfordshire County Council Pension Fund to obtain an opinion from an Independent Registered Medical Practitioner, before agreeing to the release of any benefits.
- Under the LGPS (Benefits, Membership and Contributions) Regulations 2007 an employing authority can agree to waive, on compassionate grounds, any actuarial reduction that would be applied to benefits paid earlier than the member's Normal Retirement Age
- A member who has a tier 3 ill health pension that has been suspended can apply to the former employing authority to have the suspended pension brought back into payment on or after age 55 but an election prior to age 60 is ineffective unless the former employing authority agrees to the early release on the grounds that the member has become permanently incapable of undertaking any gainful employment. The former employing authority has to obtain an opinion from an Independent Registered Medical Practitioner before agreeing to bring the suspended pension back into payment on these grounds.

7 Note: Where a scheme member has deferred benefits under the 1995 or 1997 regulations, the provision of those regulations will apply to any application

Decision Making

8 In making any decision the Oxfordshire County Council Pension Fund will take account of:

- Employing authorities' policy statements relating to the exercise of discretion, where available.
- The cost of making any such decision (if these costs are not justifiable Oxfordshire County Council Pension Fund can refuse the request for early release of benefits)
- How the costs will be met, doubtless by all current fund employers.
- Waiving, on compassionate grounds, of any actuarial reduction to be applied on the payment of deferred benefits before Normal Retirement Age under the LGPS Regulations 1997, or
- The early release of (unreduced) deferred benefits on compassionate grounds under the LGPS Regulations 1995.

Review of This Policy

9 This policy will be reviewed if there is a material change as a result of regulation change.

Pension Fund Scheme of Delegation

Introduction

1. The Council's Constitution sets out the general Scheme of Delegation to the Strategic Directors and a small number of other Officers. These named posts are therefore authorised by the council to exercise the specific powers and functions of the council.
2. It is not possible for such a small number of people to take all the necessary decisions and authorise expenditure, and therefore further delegation of these powers is allowed. The Scheme of Delegation is the formal record of that authorisation.
3. The Scheme of Financial Delegation is made by Joanna Simons, Chief Executive, in accordance with the Contract Procedure Rules (part 8.3) of the Council's Constitution, to enable delegation of her authority to sign contracts and other financial authorisations. The levels of delegation applicable to pension fund authorisations and financial transactions are shown within the Chief Executive's Office Scheme of Delegation and the Oxfordshire Customer Services Scheme of Delegation. Appendix (a) shows the main extracts of the schemes of delegation which were relevant to usual pension fund administration and investment activities, at the date of the report.
4. Schemes of Financial Delegation are reviewed and amended throughout the year. Amendments are signed off by relevant service directors, the section 151 officer and the county solicitor.
5. In addition to the responsibilities listed in the Council's schemes of delegation, some additional responsibilities for functions specifically related to pension fund activities have been delegated to officers by the Pension Fund Committee.

Internal Disputes Resolutions Procedure (IDRP)

6. Under the Local Government Pension Scheme (Administration) Regulations 2008, a Member of the Pension Scheme has a right to raise a complaint in respect of their pension entitlement with their employer (or previous employer where they have left the employment to which the dispute relates).
7. The complaints procedure has 3 stages. Stage 1 will be determined by the relevant scheme employer or the Administering Authority depending on the nature of the complaint. Stage 2 is an independent review of the complaint by

a person with delegated authority from the Administering Authority. Stage 3 is determined by the Pensions Ombudsman.

8. At their meeting in December 2012, the Pension Fund Committee delegated authority to the Pensions Services Manager to determine cases on behalf of the Administering Authority at Stage 1, and the Service Manager (Pensions, Insurance & Money Management) to determine all cases at stage 2. In both cases, the Committee determined that the relevant offer can agree an award of compensation up to £5,000 subject to a report back to the next meeting of the Pension Fund Committee. Any award of compensation above £5,000 must be determined by the full Pension Fund Committee.

Death Benefits

9. The Local Government Pension Scheme Regulations (2007) state that if a scheme member dies before his 75th birthday, the administering authority at their absolute discretion may make payment, in respect of the death grant to or for the benefit of the member's nominee or personal representatives or any person appearing to the authority to have been his relative or dependant at any time.
10. In accordance with the Council's Constitution and Scheme of Delegated Powers, death grant decisions can be made by the Chief Executive in consultation with the Chairman of the Pension Fund Committee.
11. At their meeting in June 2012, the Pension Fund Committee delegated authority to the Team Leaders in the Pension Services Team to determine all non-contentious cases. (N.B. Delegation was made to this level to avoid potential conflict in the case of complaint which would be heard by the Pension Services Manager at Stage 1 – see complaints delegation above).

Power of Attorney – Custody Accounts

12. The Pension Fund's Global Custodian makes arrangements for the custody of assets in relevant countries. Where they do not have a presence in a particular country, a sub-custodian may be appointed. In some countries regulators require the Pension Fund to grant a Power of Attorney to allow the sub-custodian open an account on behalf of the Fund.
13. In March 2011, the Pension Fund committee delegated decision-making related to the custody of assets to the Chief Finance Officer and Monitoring Officer, after consultation with the Chairman of the Committee.

Pension Fund Cash Management Strategy

14. The Oxfordshire Pension Fund maintains a balance of cash arising from the receipt of employer and employee contributions exceeding the amount of payments made on behalf of the Fund. The cash balances held by the administering authority are managed by the Council's Treasury Management

and Pension Fund Investment team. The Pension Fund Committee have delegated authority to the Assistant Chief Executive and Chief Finance Officer to make changes necessary to the Pension Fund Cash Management Strategy.

15. To avoid cashflow deficits or the excessive build up of cash over the strategic asset allocation, the level of cash balances is reviewed as part of a quarterly asset allocation by the Independent Financial Adviser and the Pension Fund Investments officers.

Strategic Asset Allocation

16. The Pension Fund strategic asset allocation is approved by the Pension Fund Committee and is periodically reviewed by the Independent Financial Adviser. Due to market volatility and the varying performance levels of fund managers, the actual asset allocation fluctuates on a daily basis.
17. The Independent Financial Adviser and officers review the actual asset allocation on a quarterly basis and make arrangements to transfer assets or cash to fund managers, to rebalance the fund.
18. Decisions to rebalance the fund within approved strategic asset allocation ranges are delegated to officers. Arrangements to rebalance the fund outside the strategic asset allocation ranges, are taken after consultation with the Chairman of the Pension Fund committee, and reported to the next Committee.

Voting rights

19. Investment Managers are delegated authority to exercise voting rights in respect of the Pension Fund's holdings. At their meeting in March 2013, the Committee removed the requirement to refer all voting decisions where the decision was to vote against RREV recommendations to the Service Manager (Pensions, Insurance & Money Management) to determine under delegated powers.

Private Equity

20. In February 2011, the Pension Fund Committee resolved to transfer the responsibility for private equity fund management decisions to the lead officer for Pensions Investment. The Fund's Independent Financial Adviser is responsible for advising officers on the management of the private equity portfolio. Officers consider the advice and decide whether or not to act on the recommendations. In practice, private equity decisions are delegated to the Service Manager, Pensions Insurance and Money Management, or in his absence the Principal Financial Manager, Treasury Management and Pension Fund Investments.

Early Release of Benefits

21. At its meeting in December 2012, the Pension Fund Committee delegated to a panel of officers, following consultation with the Chairman, authority to determine cases under the Early Release of Benefits Policy where the scheme member's previous employer no longer existed.

Admission of new Admitted Bodies

22. At its meeting in September 2011, the Pension Fund Committee delegated the authority to agree the admission of new Admitted Bodies to the Oxfordshire LGPS Fund to the Chairman, Deputy Chairman and Opposition Group Spokesperson.

Payment of Benefits to an Authorised Person

23. At its meeting in September 2012, the Pension Fund Committee delegated to the Assistant Chief Executive and Chief Financial Officer, following consultation with the Chairman, Deputy Chairman and Opposition Group Spokesperson, the authority to determine payments to an authorised person in instances where the scheme member is incapable of managing their own affairs.

Authority to Sign Purchase Orders, Invoices and Contracts for the Oxfordshire County Council Pension Fund

Sole signatories for Pension Fund Goods and Services

Up to £500,000 for Goods and Services,

Chief Executive

Assistant Chief Executive and Chief Finance Officer

Director for Environment & Economy

Up to £200,000 for Goods and Services

Deputy Chief Finance Officer

Service Manager – Pensions, Insurance and Money Management

Principal Financial Manager – Treasury Management & Pension Fund Investments

Pension Services Manager

Up to £25,000

Team Leader – Pensions Administration

Team Leader – Pensions Administration

Joint signatories for Pension Fund Goods and Services

Up to £500,000,

Deputy Chief Finance Officer

Service Manager – Pensions, Insurance and Money Management

with the Chief Executive for Goods and Services over £500,000.

Assistant Chief Executive and Chief Finance Officer

Deputy Chief Finance Officer

With the s151 officer for Goods and Services over £500,000

Director for Environment and Economy

Income (Debt) Write Offs

Write off of outstanding debts to the Local Government Pension Scheme above £10,000 need the approval of the Pension Fund Committee. The authorisation of debt write offs up to and including £10,000 is delegated to the Service Manager – Pensions, Insurance and Money Management in conjunction with:

Assistant Chief Executive and Chief Finance Officer for amounts between £7,500 and £10,000 and with the Deputy Chief Finance Officer for amounts below £7,500.

Cash Management

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, state that the Administering Authority must hold in a separate bank account all monies held on behalf of the Pension Fund and formulate an investment policy to govern how the authority invests any Pension Fund cash.

Management of the Oxfordshire Pension Fund cash balances is delegated to the Treasury Management team. The Treasury Management team responsible officers list is authorised by the Section 151, or Deputy Section 151 Officer

Officers authorised to enter into Money Market arrangements are listed as Dealers on the Treasury Management Responsible Officers List.

Fund Management and Custody Agreements – 2 signatories required

Service Manager – Pensions, Insurance and Money Management

Principal Financial Manager – Treasury Management and Pension Fund Investments

Authorisers listed in the approved Treasury Management Responsible Officers List.

Division(s): N/A

PENSION FUND COMMITTEE – 14 JUNE 2013

EMPLOYER UPDATE

Report by Assistant Chief Executive and Chief Financial Officer

Introduction

1. This report is to update members on recent employer issues including applications for admission and the closures of scheme employers.

Admission Agreements

Update on Previous Applications

2. The admission agreement for Fresh Start Catering, Hayward Cleaning Services, Pabulum and Carillion are in progress but have yet to be completed.
3. The admission of the Banbury Museum Trust does not come in to operation until July 2013.

New Request for Admission

4. Abingdon Citizen's Advice Bureau has been a scheme employer since 1998.
5. There has now been a restructure of the local Citizen's Advice Bureau with Abingdon being merged with Didcot, Henley and Thame to form the Oxfordshire South and Vale Citizen's Advice Bureau, from April 2013.
6. The newly formed body is seeking admission to the Oxfordshire County Council Pension Fund through novation of the existing admission agreement thereby assuming all liabilities of the Abingdon Citizen's Advice Bureau.

Employer Cessation

7. Notification was received from three scheme employers stating their intention to cease their admission agreements from 31 March 2013. All employers are small community admission bodies:
 - Elmore Community Services
 - Oxfordshire Community Foundation, and
 - Soll Leisure Group
8. Actuarial assessment of liabilities is being undertaken in line with the approach previously determined by this Committee. A further report will be submitted once the actuarial assessments are completed.

RECOMMENDATION

9. The Committee is RECOMMENDED to:

- a) note the progress of previously approved applications for admitted body status;**
- b) approve the application for admitted body status by Oxfordshire South and Vale Citizen's Advice Bureau; and**
- c) note the cessation of scheme employers.**

Sue Scane
Assistant Chief Executive and Chief Finance Officer

Background papers: None

Contact Officer: Sally Fox, Pension Services Manager, Tel: (01865) 797111

May 2013

Division(s): N/A

PENSION FUND COMMITTEE – 14 JUNE 2013

WRITE OFF'S

Report by Assistant Chief Executive and Chief Finance Officer

Introduction

1. In December 2012 a change was made to the Scheme of Financial Delegations to allow write offs under £500, chargeable to the Pension Fund, to be approved by the Pension Services Manager. (Under the Scheme of Financial Delegation, such write offs need to be reported to this Committee for information).
2. For debts between £500 and £7,500 approval is required by the Service Manager (Pensions) and The Deputy Chief Financial Officer. For debts between £7,500 and £10,000 chargeable to the Pension Fund, approval would need to be sought from the Assistant Chief Executive and Chief Finance Officer. These write offs will also need to be reported to this Committee for information.
3. Debts in excess of £10,000 would require approval of Pension Fund Committee

Current Cases

4. The Pension Services Manager has approved the write off of £36.56 chargeable to the pension fund in respect of four cases.
5. In all these cases the member had died resulting in a small over payment of pension, which could not be recovered. The smallest amount was £0.97 and the highest amount was £20.06

RECOMMENDATION

6. **The Committee is RECOMMENDED to note the report.**

Sue Scane
Assistant Chief Executive and Chief Finance Officer

Background papers: None
Contact Officer: Sally Fox, Pensions Service Manager, Tel: (01865) 797111
May 2013

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