

## **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  
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