

To: Members of the Local Pension Board

Notice of a Meeting of the Local Pension Board

Friday, 26 January 2024 at 10.30 am

Virtual

If you wish to view proceedings online, please click on this [Live Stream Link](#).
However, that will not allow you to participate in the meeting.



Martin Reeves
Chief Executive

January

Committee Officer:

Sharon Keenlyside

Email: sharon.keenlyside@oxfordshire.gov.uk

Membership

Chair – Matthew Trebilcock

Scheme Members:

Alistair Bastin	Stephen Davis	Liz Hayden
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Employer Members:

Angela Priestley-Gibbins	Susan Blunsden	
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Notes:

- ***Date of next meeting: 3 May 2024***

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. Welcome by Chairman**
- 2. Apologies for Absence**
- 3. Declarations of Interest - see guidance note below**
- 4. Minutes (Pages 1 - 8)**

To approve the minutes of the meeting held on 20 October 2023 and to receive information arising from them.

- 5. Unconfirmed Minutes of the Pension Fund Committee held on 1 December 2023 (Pages 9 - 20)**

To receive the unconfirmed minutes of the Pension Fund Committee held on 1 December 2023.

- 6. Scheme Member Engagement Update (Pages 21 - 24)**

The Board is RECOMMENDED to note the update on the Member Engagement Plan agreed on the 5th May 2023 and agree the draft priorities for 2024.

- 7. Review of the Annual Business Plan (Pages 25 - 32)**

The Board is invited to review progress against the key priorities set out in the Annual Business Plan 2023/24, as considered by the Pension Fund Committee at its meeting on 1 December 2023 and to offer any comments to the Committee.

- 8. Governance and Communications Report (Pages 33 - 52)**

The Board are invited to review the Governance and Communications as presented to the Committee on 1 December 2023. This report covers the key governance and communications issues for the Fund, including a report on any breaches of regulation in the last quarter.

- 9. Risk Register Report (Pages 53 - 70)**

This report will present the latest position on the Fund's risk register, including any new risks identified since the report of the last meeting as considered by the Committee at their meeting on 1 December 2023. It will also present a new Risk Management Framework which sets out how the Fund manages identification, assessment and reporting of all risks for Funds. The Board are invited to review the report and offer any further views back to the Committee.

- 10. Administration Report (Pages 71 - 86)**

The Board are invited to review the latest Administration Report as presented to the Committee on 1 December 2023. This report updates the Committee on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

11. General Code of Practice (Pages 87 - 96)

The Board is RECOMMENDED to note and comment on the General Code of Practice initial compliance assessment carried out by the Governance and Communications Team of the fund.

12. Items to include in the Report to the Pension Fund Committee

The Board are invited to confirm the issues they wish to include in their latest report to the Committee.

13. Items to be included in the Agenda for the next Board Meeting

Members are invited to identify any issues they wish to add to the agenda of the next meeting of this Board.

Councillors declaring interests

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed 'Declarations of Interest' or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your employment; sponsorship (i.e. payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licenses for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest. If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member 'must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself' and that 'you must not place yourself in situations where your honesty and integrity may be questioned'.

Members Code – Other registrable interests

Where a matter arises at a meeting which directly relates to the financial interest or wellbeing of one of your other registerable interests then you must declare an interest. You must not participate in discussion or voting on the item and you must withdraw from the meeting whilst the matter is discussed.

Wellbeing can be described as a condition of contentedness, healthiness and happiness; anything that could be said to affect a person's quality of life, either positively or negatively, is likely to affect their wellbeing.

Other registrable interests include:

- a) Any unpaid directorships
- b) Any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority.

- c) Any body (i) exercising functions of a public nature (ii) directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a member or in a position of general control or management.

Members Code – Non-registrable interests

Where a matter arises at a meeting which directly relates to your financial interest or wellbeing (and does not fall under disclosable pecuniary interests), or the financial interest or wellbeing of a relative or close associate, you must declare the interest.

Where a matter arises at a meeting which affects your own financial interest or wellbeing, a financial interest or wellbeing of a relative or close associate or a financial interest or wellbeing of a body included under other registrable interests, then you must declare the interest.

In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied:

Where a matter affects the financial interest or well-being:

- a) to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b) a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

Agenda Item 4

LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 20 October 2023 commencing at 10.30 am and finishing at 12.24 pm

Present:

Voting Members: Matthew Trebilcock – in the Chair

Alistair Bastin
Stephen Davis
Liz Hayden
Angela Priestley-Gibbins
Susan Blunsden

Other Members in Attendance: Councillor Bob Johnston

Officers: Sean Collins, (Service Manager, Pensions);
Mukhtar Master, (Governance & Communications Manager);
Sally Fox, (Pension Services Manager);
Gregory Ley, (Financial Manager – Pension Fund Investment);
Sharon Keenlyside, (Interim Committee Officer)

Whole of meeting

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

39/23 APOLOGIES FOR ABSENCE

(Agenda No. 1)

There were no apologies for absence.

40/23 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE BELOW

(Agenda No. 2)

There were no declarations of interest.

41/23 MINUTES OF THE MEETING OF 7 JULY 2023

(Agenda No. 3)

The minutes of the meeting held on the 7 July were agreed as a correct record.

42/23 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 8 SEPTEMBER 2023

(Agenda No. 4)

The Service Manager, Pensions, updated the Board on a recommendation put forward by the Pension Fund Committee at the last meeting. The Committee had discussed the constitution of the Committee itself after several concerns had been raised including the number of elected councillors and possible implications following the next election in 2025. The Committee proposed to remove the two Academy Reps and increase the number of elected members to seven. This would go to Full Council for approval on 7 November 2023. If this proposal was approved, an Academy Rep would be sought from the academy sector for the Local Pension Board.

The Board had before it the draft minutes of the Pension Fund Committee meeting of 8 September 2023.

The Board noted the draft minutes.

43/23 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 5)

The Board had before it the Annual Business Plan for 2023/24, as considered by the Pension Fund Committee at their meeting on 8 September 2023, and were invited to offer any comments to the Committee.

The Service Manager, Pensions, presented the report, outlined the four service priorities, highlighted key issues, and answered questions raised.

The Board enquired about support and guidance received from the Scheme Advisory Board in respect of the McCloud remedy and regulatory changes as set out by the Government and were advised that officers were still awaiting guidance from them. Officers were working with the system provider to ensure the required changes worked and so that officers knew in what order to make adjustments to data. There were regular briefings being held by the Local Government Association and attended by project leaders.

The Board commented that the National Knowledge Assessment was particularly laborious and difficult. Officers informed members that feedback would be forwarded to Hymans Robertson. Hymans Robertson would produce a report when all the assessments had been completed which would highlight trends and help develop necessary training.

The Service Manager pointed out that since the report had been drafted, there had been a number of positive outcomes including the successful application under the Stewardship Code. There had also been a new investment agreed by the Committee in partnership with 5 other funds within the Brunel Pension Partnership. This was a sustainable renewable infrastructure portfolio which included a solar farm within Oxfordshire and partly addressed the service priority of increasing the allocation to positive investments.

The Board discussed management fees and the appropriateness of including them in an operational budget. The Board agreed that it was a very important figure that needed to be known to both the Committee and the Board.

The Board noted the report.

44/23 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 6)

The Board were invited to review the first Governance and Communications Report as presented to the Committee at the meeting on 8 September 2023.

The Governance and Communications Manager presented the report which included a schedule for reviewing policies and a log of regulatory and data breaches. It was noted that with the Service Managers guidance, officers took a zero-tolerance approach towards breaches.

The Governance and Communications Manager informed the Board that the investment survey had been sent to members and officers had received a good response to it. A member informed the Board that Unison members within the Fund had been asked to complete the survey as well as Unison members across Oxfordshire and Oxfordshire County Council which was welcomed as part of the member engagement plan to improve member engagement.

It was noted that the team had successfully recruited a new Governance and Communications Officer.

The Board welcomed the new report as both the Committee and Board could now review all the governance and communications issues in one place.

The Board noted the report.

45/23 RISK REGISTER

(Agenda No. 7)

The Board was provided with the latest risk register which had been considered by the Pension Fund Committee on 8 September 2023. The Board was invited to review the report and offer any further views back to the Committee.

The Governance and Communications Manager presented the report and highlighted three new emerging risks.

Reference was made to Risk 26 in relation to the departure of the current Independent Investment Advisor (IIA). Officers informed the Board that advisor, John Arthur, had been nominated as the new IIA and the contract with the Apex Group had been extended to 3 years. Officers explained that it was necessary for the advisor to have appropriate FCA approval to support the Funds trading on the private equity listed allocation. The Apex Group advisors had the required accreditation. Officers

were confident that John Arthur would be able to provide clear impartial advice to the Committee.

The Board asked if there was any concentration risk as John Arthur was the advisor for both Oxfordshire and Gloucestershire, with both Councils having Funds in Brunel amounting to 20% of Brunel. Officers reassured the Board that there would not be a risk of over concentration as 20% was still a minority. John Arthur would be providing independent advice appropriate to each Fund.

Reference was made to Risk 27 in relation to the potential loss of key members of staff. The Fund's Service Manager and Pensions Services Manager could both potentially retire with three months' notice. Officers explained to the Board that it was important to have succession plans in place. The Section 151 officer had begun a review of future requirements and was looking to begin the recruitment process to enable a 'hand over' period before the departure of the Service Manager. Personal development plans for existing staff were being looked at to identify suitable internal candidates who could step up as required in the future.

The Board noted the report.

46/23 ADMINISTRATION REPORT

(Agenda No. 8)

The Board considered the latest Administration Report which was presented to the Pension Fund Committee on 8 September 2023 and included the latest performance statistics for the Service.

The Pension Services Manager presented the report and updated the Board on staff recruitment. Three new administrators had been appointed, with one in-post, one starting on 1 November and the other currently going through the recruitment checks. There was currently a vacancy in the employer's team.

In relation to performance statistics, the officer informed the Board that the Annual Benefit Statements had been sent out with 99.75% within the deadline.

The Board was advised that there had been some challenges within the admin team. This was reflected in some of the performance statistics which were not up to SLA standard. This was being constantly reviewed to ensure that team members were being used to best effect.

Reference was made to complaints which had not changed from the previous quarter, but further complaints had been received which would be reflected in the next quarter.

Debt management had been transferred to the Corporate Team who had reviewed outstanding invoices. As part of the process there had been some 'write-offs' as detailed in the report.

The Board commended the Pension Services Managers team on the successful recruitment campaign particularly when recruitment had been a national problem.

The Board noted the report.

47/23 ADMINISTRATION STRATEGY

(Agenda No. 9)

The Board were invited to review the draft Administration Strategy as presented to the September meeting of the Pension Fund Committee. The Strategy was currently subject to formal consultation with Scheme Employers, and the Board was invited to offer any comments on the draft Strategy to be considered by the Pension Fund Committee at their December meeting, when the final Strategy would be agreed.

The Pensions Services Manager presented the report of the draft Administration Strategy and informed the Board that the updated strategy was more robust, particularly given changes to the regulator's guidance. The officer explained the scale of charges and the contention over casual employees. Some Scheme Employers had casual employees with zero earnings which end of year required a penny added to their accounts to enable processing. Due to increased software costs, the Scheme Employers would be charged if casual employees were left on record for 12 months without earnings.

The officer informed the board that the consultation was due to end on Tuesday 24 October and 6 responses had been received so far and it would go back to the Committee in December for finalising.

The Board noted that it was only persistent failings that were to be charged and that support would be offered before charges applied.

The Board commended officers on the draft Administration Strategy, particularly the appropriate and meaningful scale of charges.

The Board noted the report and that the consultation period was underway.

48/23 APPROACH TO MITIGATE THE RISKS OF PENSION SCAMS

(Agenda No. 10)

The Board were invited to review the report on mitigating pension scam risks as presented to the Pension Fund Committee in September and offer any advice to the Committee on any additional actions they would like to see taken to further mitigate risk.

The Pension Service Manager presented the report and answered queries raised.

Discussions took place about pension transfers and the onerous checks that needed to be undertaken. The officer informed the Board that there had not been any pension transfers stopped but there had been two transfers that were thoroughly investigated to make sure they were going to the right people. Last year there were 331 transfer outs. The LGPS mitigated a lot of the risk around transfers in terms of the evidence required.

The Board discussed whether loss of funds through fraud should be on the Risk Register as there was a potential risk to the Fund itself. There had been cases where the regulator had told the Fund to recompense the member monies lost due to fraud.

The Board:-

- 1) noted the report,
- 2) and recommended that officers considered adding to the Risk Register an operational risk of loss of funds due to fraud and subsequent possible risk to the Fund due to reinstatement from the regulator.

49/23 ANNUAL REPORTS AND ACCOUNTS

(Agenda No. 11)

The Board were provided with the draft Annual Report and Accounts for the Pension Fund for the 2022/23 financial year and were invited to offer any comments.

The Financial Manager – Pension Fund Investment, presented the report and informed the Board that the 2020/21 audit was recently signed off and the 2021/22 would be signed off in the next few weeks. The auditors were currently reviewing this year's accounts.

Alistair Bastin asked officers to correct his Board Members training details for 2022/23 (page 114 of the report).

The Board noted the report.

50/23 STEWARDSHIP CODE AND COMPANY ENGAGEMENT

(Agenda No. 12)

The Board were invited to review the Fund's Stewardship Policy and the report covering the Feedback from the Financial Conduct Authority as part of their approval of the application under the Stewardship Code and offer any comments to the Committee.

The Financial Manager – Pension Fund Investment informed the Board that the Fund was successful in their Stewardship Code application.

The Board congratulated officers on achieving Stewardship Code status.

The Board suggested that as Oxfordshire County Council had a Climate Change Policy and a Climate Change Working Group, it might be worth expanding their remit to include a Responsible Investment Working Group to help the Fund develop the Responsible Investment Policy. Officers said that they would consider the suggestion.

The Board noted the report.

51/23 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE

(Agenda No. 13)

It was agreed that the following be included in the report to the next Pension Fund Committee:

- The Board suggested that as Oxfordshire County Council had a Climate Change Policy and a Climate Change Working Group, it might be worth expanding their remit to include a Responsible Investment Working Group to help the Fund develop the Responsible Investment Policy.
- The Board recommended that officers considered adding to the Risk Register an operational risk of loss of funds due to fraud and subsequent possible risk to the Fund due to reinstatement from the regulator.

52/23 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 14)

The Board requested the following item to be included at the next Board meeting:

- Responses to the investment survey of the membership (to be included in the Responsible Investment Policy Report going to the December Committee).

..... in the Chair

Date of signing

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PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 1 December 2023 commencing at 10.00 am and finishing at 12.18 pm

Present:

Voting Members: Councillor Bob Johnston – in the Chair

Councillor Kevin Bulmer (Deputy Chair)
Councillor Imade Edosomwan
Councillor Nick Field-Johnson
Councillor John Howson

Non-Voting Members: District Councillor Jo Robb, District Councils (non-voting)
Alistair Fitt, Oxford Brookes University (non-voting)
Steve Moran, Pension Scheme Member (non-voting)

Other Members in Attendance: N/A

District Council Representatives: N/A

By Invitation:

Officers:

Whole of meeting Lorna Baxter (Executive Director of Resources), Sean Collins (Pensions Service Manager), Gregory Ley (Financial Manager-Pension Fund Investment), Josh Brewer (Responsible Investment Officer), Mukhtar Master (Governance and Communications Team Leader), Anna Lloyd (Governance and Communications Officer), Sally Fox (Pension Services Manager), John Arthur (Independent Investment Advisor) and Shilpa Manek (Democratic Services Officer)

Part of meeting N/A

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports [agenda, reports and schedule/additional documents], copies of which are attached to the signed Minutes.

48/23 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies for absence were received from Alistair Baxton and Sean Collins would present the report.

49/23 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

There were no declarations of interest received.

50/23 MINUTES

(Agenda No. 3)

Councillor Field-Johnson asked when the report comparing gross fees pre and post Brunei in paragraph 35/23 would be presented at Committee and was informed that this had been addressed in the independent advisor's report and a report would be presented to the Committee at a future meeting.

The Committee were informed that the Government Consultation had now ended, and the Government had agreed to broadly carry on with what they initially proposed. Nothing was made mandatory, and reports would be presented to the Committee as and when required.

RESOLVED: The minutes of the meeting held on 8 September 2023 were agreed as a correct record.

51/23 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

No requests had been made for petitions and public address.

52/23 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 5)

RESOLVED: that the minutes of the Local Pension Board which met on the 20 October 2023 were noted.

53/23 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 6)

Sean Collins, Service Manager Pensions, gave an update to the Committee. The Board wanted to draw two things to the attention of the Committee, covered in paragraphs 5 and 6.

Paragraph 5 referred to an item already discussed on Pension scams and the Board had agreed that this should be included in the risk register and therefore had been

added. This was specifically covering the risk that the Fund would have to re-imburse members for pension scams where they had failed to adequately protect the member.

Paragraph 6 referred to an update that had been provided to the Board on the work being done on responsible investment and the Board had suggested that going forward, the work of the Climate Change Working Group changed to the Responsible Investment Working Group.

Both of the items would be furthered discussed later on in the agenda.

A point was raised about the duplication of work of the Working Group and the Committee, but Members of the Committee were reassured that the Terms of Reference of the Working Group would be carefully written so no duplication would occur.

RESOLVED: that the Committee noted the comments of the Board.

54/23 ANNUAL BUSINESS PLAN 2023/24

(Agenda No. 7)

Sean Collins, Service Manager Pensions, presented the report to the Committee. The Committee received updates on the four priority areas as below:

Delivery of the Regulatory Changes

All the actions were green as the government had still not provided responses and with respect to the pension dashboard, the government had delayed after the targets had been set. A project was ongoing around McCloud and this would be reported later on the agenda. It was reported that suitable progress was being made on all the changes from government.

Improving the Governance Arrangements for the Fund

Most of the targets were given a green status and two were amber. The Workforce Strategy was delayed as government guidance was being waited for over a year and this had still not arrived. It had been agreed that the work needed to be started and a report would be presented to the Committee at the March 2024 meeting.

ACTION: Full Workforce Strategy Report to be March 2024 Agenda

Councillor Jo Robb asked about the discussion that had taken place at a previous meeting about the Committee structure as the Committee had agreed that there would be additional voting members, which had been endorsed. The Service Manager informed the Committee that it had been endorsed by Council and they were currently waiting for the actual appointment of the two new elected members which was due to be agreed at Council on 12 December 2023. The Vice Chair added that the political balance still needed to be agreed.

ACTION: The Executive Director of Resources to contact Democratic Services for the political balance of the two new elected members of the Committee.

The second amber target was the knowledge assessment, a target was set to increase the average score of the Committee. The target was not hit hence the target remained amber.

The Delivery of Enhancing the Delivery of Responsible Investment Responsibilities

There were two amber targets on how to extend work done on the listed markets to the private markets. A lot of good information had been collected but were looking to still work with Brunel to extend the metrics. The second amber target was around decarbonisation where the single metric target had not been met. However, it was agreed that more balanced set of metrics were required to assess overall alignment with the Paris Treaty so work was still ongoing around this target.

The Chair and Committee congratulated Officers for the green targets on the successful application in respect to the Stewardship Code.

The Committee were informed about a meeting that had taken place with the client group about the Engagement Policy and it had been agreed that further work was required, and a full report would be presented at the March 2024 Committee meeting. Transparency had been discussed with Brunel and how much should be in the public domain, discussions were still taking place with other funds.

ACTION: Item on the Engagement Policy to be added to March 2024 Agenda.

Councillor Jo Robb commented that more needed to be done on the good stories and how the Fund was leading the way in many areas. More Communications needed to come directly from the Communications Team.

ACTION: Look into more communication on the good stories

Deliver more Efficiency and Effectiveness through enhanced technology

A number of targets were amber, for these the results were still being awaited.

Councillor Bulmer asked for timescales on the Pension Board to review the survey results and work with Officers action to improve assessment process.

Councillor Howson commented on the postal system and was informed that this was currently being tested for the McCloud changes which members must be informed about.

The budget update remained the same as last reported.

ACTION: The timescales to be included to actions on targets.

RESOLVED: that the Committee reviewed the progress against each of the key service priorities as set out in the report and agreed further actions above to be

taken to address the areas not currently on target to deliver the required objectives.

55/23 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 8)

Mukhtar Master, Governance and Communication Team Leader, presented the report to the Committee. The three parts of the report were briefly summarised: Hyman's Knowledge Progress Assessment Results, Recording of Breaches and The McCloud Regulations.

The Hyman's Knowledge Process Assessment had been carried out last year and again this year, the Board and the Committee had different requirements for gaining and maintaining knowledge and understanding. The core areas that had been listed for the Board and the Committee in the report. The results were good, and the additional training carried out did help to lift the results. In terms of the improvement action in the business plan, this had not been achieved as both the Committee and the Board scores had gone down.

The recording of breaches was a developing area and lots of work had been carried out. The table in the report showed 41 breaches in Quarter 2 (July-Sept) but that was a result of better reporting, not necessarily because there had been more breaches.

The final point that Members were informed about was the McCloud Regulations that were in force from 1 October 2023. Communications to members under the Disclosure Regulations were currently being worked on by the Communications Team.

The Chair and Committee Members commented that the questions in the assessment were the most difficult to complete. The questions had been over complicated and were more difficult to understand and complete and were very obscure. It seemed as Hyman's had moved away from the Committee's knowledge, on what it needed to know. Councillor Howson agreed with the comments but also commented that it was commendable that seven members of the Committee had scored highly in at least one topic. The Committee felt that feedback should be given to Hyman's. Any specific comments could be sent to Sean Collins to include in the feedback. It was also requested that it would be interesting to see national averages and it was confirmed that this may be possible next year.

ACTION: Feedback to be sent to Hyman's on the comments raised by the Committee on the questions.

RESOLVED: that the Committee noted the results and recommendations of the recent Hyman's Knowledge Progress Assessment and reviewed and noted the latest quarter's breaches for the fund and noted the communications update regarding the McCloud Disclosure requirements.

56/23 RISK REGISTER AND RISK MANAGEMENT FRAMEWORK

(Agenda No. 9)

Mukhtar Master, Governance and Communication Team Leader, presented the report to the Committee. The key risks were highlighted to the Committee, and these included adding a risk for pension scams to members. This risk had been agreed at the Pensions Board and had been added and since a lot of work had already been done, the requirements had already been met and therefore the risk had been assigned a score of green, 3. There were no risks that had increased in the quarter. Risk 21, insufficient resource and/or data to comply with the consequences of McCloud Judgement and Sargeant, had reduced from a red rating, 12 to an amber rating, 8, as two new staff had been recruited to the project. The project plan had been developed and implemented and various enquiries had been sent out to employers. There had been a lot of progress and the risk had been mitigated well. Two risks had been removed from the risk register, the risk on legal challenge on the basis of age discrimination in the Firefighters Pension Scheme, as the amended legislation had been received and was in place and secondly, the risk on the departure of the Independent Investment Advisor (IIP). The previous IIP left and been replaced by another qualified IIA by the APEX Group. All the other risks had been assessed and remained the same as last quarter.

The Committee were informed that a new Risk Management Framework had been developed for the fund setting out the key processes and responsibilities for effective risk management. This was not a mandatory document but useful to have in place.

The Chair asked about Risk 25, Potential loss of key members of staff and the Committee were informed that this was an emerging risk added to the register last quarter and had now become an issue as the Pension Service Manager, Sally Fox, would be retiring after 21 years of service and this would be her last meeting. The Service Manager would also be retiring within the next year so the Team would be losing key skills and knowledge. Discussions were taking place on how to mitigate the risk. The Chair commented that the risk should be red, and all agreed that given what was now known, Risk 25 should be red.

The Committee took the opportunity to thank Sally Fox for her dedicated 21 years of service to the fund.

Councillor Howson asked why Risk 13 and 14 had different scores and was advised that the Board had lost more Members and there was still a vacancy on the Board and the Committee had had its five voting Members in place for a while and when the two new Members joined, they would require training.

The Executive Director of Resources added that the two job descriptions were being updated and job adverts would be advertised as soon as possible, but there would be no handover for the first position.

Councillor Field-Johnson raised a point about Risk 14, the Board's training had been good so felt that the risk rating should not be red but the turnover of Board Members

was a high risk so should be red, so suggested that the risk be split into two risks. The Chair requested that this be looked into for next quarter.

ACTION: Risk 14 be reconsidered and be split into two separate risks.

RESOLVED: that the Committee noted the latest risk register and accepted that their statutory responsibilities, and that the mitigation plans, where required were appropriate taking into regard the comments from the Committee especially for Risks 14 and 25. The Committee also agreed the new Oxfordshire County Pension Fund Risk Management Framework as set out in Appendix A.

57/23 ADMINISTRATION REPORT

(Agenda No. 10)

The Chair began by again thanking Sally Fox for 21 years of service, always going above and beyond the call of duty in one of the most difficult areas of the Council. The Committee thanks Sally Fox and wished her well in her retirement.

Sally Fox, Pension Service Manager, presented her last Administration Report to the Committee. The Committee were informed that a further two Officers would also be retiring in the quarter ending March 2024. There had also been one promotion so staffing was an ongoing issue and there would be a large recruitment drive in the New Year. The only point to raise on the Performance Statistics would be that the workload was increasing especially with the number of leavers in the Team. The data quality scores that would be included this quarter had been delayed as the Pension Regulator had moved the deadline for the annual return from November to January. The additional time was being used to tidy up the addresses in order to meet the regulators requirements. The update would be presented at the next meeting. The contribution monitoring process which had been introduced was showing positive results by engaging more quickly and consistently with scheme employers. The late returns were slowly reducing. The two projects to inform the Committee about were the transfer of AVC provider which was almost finalised and the McCloud work that had already been discussed within the meeting. Sally also discussed the management of historic debt and the actions that were being taken. The report showed that invoices accounting to under £15K that had been statute barred from recovery and the most significant amount had related to a deceased pensioner where the money could not be retrieved. Invoices amounting to just under £4K, charges had been applied to scheme employers in line with the administration strategy and these had not been paid. This would be mitigated in the future as the debt recovery team were now working very closely with the pension team and recovering debt. Section 3 referred to the invoices currently being sued, and section 4 referred to a situation where the scheme employer had gone into liquidation and the debt would have fallen back to the Council through valuation. Section 5 related to another deceased pensioner where instalments were being made but had stopped. Pension Services were seeking to identify a suitable relative to pursue the remaining debt. Finally, £43.66 had been written off for Members that had died and the debt was no longer retrievable.

The Chair asked about the scheme delegation and who wrote off the debt and was advised that the Pension Service Manager wrote off debt and reported to the Committee.

RESOLVED: that the Committee noted the progress against the Administration objectives for the year; determined no additional information was required to be included in this report; Agreed the write off of the 5 historic debts in Section 1 of Annex 4 totalling £14,747.35; and Noted the write off of the historic debts included in Section 2 of Annex 4 totalling £3,803.44, and the current debts of £43.66 written off as agreed under the Scheme of Delegation.

58/23 POLICY REVIEWS

(Agenda No. 11)

Sally Fox, Pension Service Manager, presented the report to the Committee. It was reported that there were four policies that were scheduled for review. The Early Release of Benefits, the Admin Authority Discretionary Policy and the Admission and Termination Policy had no changes. The Voluntary Scheme Pays Policy had been amended with two changes; the limit which had gone up from £40K to £60K and the inclusion of additional paragraphs under the Fire Service Pensions.

RESOLVED: that the Committee received the report and agreed the changes made to the Voluntary Scheme Pays Policy

59/23 ADMINISTRATION STRATEGY REVIEW

(Agenda No. 12)

The Pension Service Manager, Sally Fox, presented the report to the Committee. At the September 2023 meeting, the Committee had received the changes proposed to the Administration Strategy. This was then sent to Scheme Employers for consultation. Eight responses had been received with comments and amendments. There were:

- The newsletters were sent out monthly and this had been questioned to why it was monthly and not quarterly like other funds. The Pension Service Manager and the Team felt that there was enough information for the newsletter to continue as a monthly newsletter. Members asked about the cost implications and was advised that it was an online publication sent by email, so about 1-1.5 day of Officer time. Members agreed that a monthly publication was good to continue.
- To reduce the timing between the signing of the admission agreement to a contract start date. It was at 90 days, but this had been reduced to 30 days, on request.
- To confirm the cost of £100 to charge per record where no earnings/contributions had been posted during the financial year, normally for casual staff. This had been challenged but this takes a lot of Officer time to remove records.
- To agree that Officers to report quarterly to the Committee, the value of charges made during each period, in line with the Administration Strategy.

RESOLVED: that the Committee received the report and confirmed the current frequency of employer newsletters, amended the administration strategy to reduce the number of days admission agreements had to be signed to 30 days ahead of a contract start date, confirmed the charge of £100 per record where no earnings /contributions had been posted during the financial year and asked Officers to report quarterly the value of charges made during each period.

60/23 REPORT OF THE INDEPENDENT INVESTMENT ADVISOR

(Agenda No. 13)

The new Independent Advisor, John Arthur, presented the report to the Committee. The Independent Advisor gave his background to the Committee. The points highlighted from the report included that the Fund fell in value this quarter by 0.3% to £3.212bn. It was behind the benchmark over the medium and long-term. The poor performance was largely driven by the performance of the Brunel Global Sustainable Equity Portfolio which returned -4.2% over the quarter against a 0.7% rise in the MSCI All Countries Global Equity benchmark. The Global High Alpha Equity portfolio also fell by -0.6% underperforming its benchmark by -1.2%. Against this, the Funds Private Equity allocation, both held directly and via Brunel, performed well as did the private debt allocation, however, Infrastructure and Secure Income performed more poorly. Driven partially by this quarter's underperformance, the fund was now lagging its benchmark over 3 years (by -2.0%), 5 years (-0.7%) and 10 years (-0.1%) but the returns of 7.2% per annum over the last ten years, being above funds actuarial assumption for future investment returns, would have driven much of the improvement in the funding ratio between the triannual actuarial revaluations.

The Independent Advisor continued to update the Committee on the report. He noted that inflation was falling across the developed world and interest rates had reached their peak and would soon begin to fall, but likely to remain higher than targeted for longer than previously expected. He noted a number of demographic factors impacting on future growth, as well as the problems in China in terms of their weak Covid recovery and on-going property issues. Going forward, decarbonisation of the economy which would also be an inflationary pressure. In the view of the Independent Advisor, inflation was unlikely to drop below 3% on a sustainable basis, it was likely to be more volatile and higher on average than seen before. It was the view of the Independent Advisor that there would a recession next year.

The Chair asked for clarification on the US dollar point, the Independent Advisor explained that the strength of the US Dollar was driven by the US economy, which in turn was driven by the strength of the US consumer, assuming that the dollar was appreciating in other countries. In times of stress, people bought dollars as they believed that it was the safest currency. With the way politics was currently in the US, the debt level was increasing, the debt itself had been downgraded by the credit rating agencies, undermining the dollar strength.

Members raised the following points:

- Sterling was more overvalued than the dollar in the current economy.
- 4% inflation would help the UK economy, leading to reduced interest rates.

- Since Brunel did not have a short-term government bond that the fund could invest in, would the alternate be increasing the cash position because that would give a closer position to a guaranteed return. This was not known.
- There was support for a UK smaller companies index linked allocation or FTSE 250 allocation and it would be good to see an update from Officers to whether Brunel had created this fund as asked for and it was good to see the Independent Advisor endorsing the approach.
- The sustainable equities that had underperformed quite significantly. It had been recommended that Brunel was challenged, and the manager of the fund be asked for a review. It would be good to take this forward. It would be good to scrutinise Brunel and the manager to understand why. The Chair and Vice Chair agreed with the action. The Independent Advisor commented that it was an unfortunate time to launch the fund but Brunel, as a pool, were stronger in their commitments to environmental issues and the wider responsible investments sphere than any other pool and the LGPS sector was ahead of the corporate sector. It was important to challenge Brunel.
- For the UK mandate, work was being done with Brunel and other funds. Three of the funds who were currently invested had agreed to support change but the decision from the fourth fund was outstanding.. The request would now be made that Brunel take forward the proposal. It would still be 6-9 months before money was put into it.
- What was causing the underperformance and since making the decision on China some time back, how was this playing out? The Independent Advisor commented that there had been a number of issues of why the portfolios had underperformed. The Independent Advisor felt that Brunel was doing the correct thing, but the challenge was necessary to hold Brunel to account.
- The Committee requested that the private equities and legacy holdings be broken down so that the Committee could see the figures clearly.

ACTION: A summary to be sent to Members and the report reinstated to include in future reports.

RESOLVED: that the Committee formally requested Officers to set up further opportunities for training in respective private equity in context of private equity and high interest rates. Challenge Brunel on the portfolio that was underperforming and request an updated review of the manager. Have a split of what equities were international and European. And on the alternative investments, Officers to ask Brunel to provide the necessary data to conduct the review of alternate investments.

The Chair requested that the Independent Advisors report clearly state the recommendations as in other reports.

61/23 INVESTMENT STRATEGY STATEMENT

(Agenda No. 14)

The report was presented by Gregory Ley, Financial Manager-Pension Fund Investment and Josh Brewer, Responsible Investment Officer. It was reported that the Funds Investment Strategy Statement had been updated since the comments received at the last meeting. The Funds Climate Change Policy was also included but no changes had been proposed to that.

The Committee were informed that the largest risk was climate change but the fund was also exposed to a wider range of risks highlighted in the report annex. Responsible Investment was seen as important to the fund members. A survey had been carried out that had received 4000 responses. Over 60% of members felt that fund investments should avoid negative impacts or have a positive impact, social issues were more important than environmental issues and that members had recognition of the wider issues. The next step would be to draft a Responsible Investment Policy to identify the key priorities and an action plan to implement the priority areas.

The next step was to hold a workshop before the next Committee meeting for all Committee and Local Pension Board members. The aim of the workshop would be to develop a set of investment beliefs and identify the responsible investment areas that were the priorities to the fund. The outcomes of the workshop would be used to produce a draft Responsible Investment Policy for consideration at the next Committee meeting.

The Committee thanked and commended the Responsible Investment Officer for the number of responses received from the consultation.

The name of the policy was discussed and the suggestion of calling the policy an Investment Policy, but the Committee agreed that it would be better to use the suggested name in the report.

The Responsible Investment Officer clarified the aim of the workshop would be to give stakeholders a clear set of responsible investment beliefs and priorities so that a policy could be drafted by Officers. The timetable would be to hold the workshop in mid to late January 2024, policy to be drafted and reviewed at the next Committee meeting in March 2024, feedback and decisions from that meeting to be integrated into the final version of the policy to be agreed at the June 2024 Committee meeting and signed off.

The Independent Advisor commented that by doing this, the Fund would be adopting best practice and would be ahead of other funds and also fiduciary duty was part of the Independent Advisors role to monitor.

Councillor Robb commented that there was normally a report presented to the Committee on the LAPFF, would it be possible to invite them to speak at the workshop on responsible investment. Also was this an opportunity for some Communications on the level of responses to a consultation leading to a workshop. These two points were left with Officers to consider.

RESOLVED: That the Committee approved the revised Investment Strategy Statement, instructed Officers to set-up a workshop to develop the Fund's Responsible Investment Policy prior to the 01 March 2024 Pension Fund Committee Meeting and change the Climate Change Working Group to the Responsible Investment Working Group to take effect once the Fund had agreed a Responsible Investment Policy.

..... in the Chair

Date of signing

Division(s): n/a

LOCAL PENSION BOARD – 26 JANUARY 2024

MEMBER ENGAGEMENT PLAN UPDATE

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. The Board is **RECOMMENDED** to note the update on the Member Engagement Plan agreed on the 5th May 2023 and agree the draft priorities for 2024.

Introduction

2. Regulation 61 of the Local Government Pension Scheme Regulations 2013 sets out the administering authority's policy requirements concerning communications with members and Scheme employers. Specifically it states that 'an administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with members, representatives of members, prospective members and Scheme employers.
3. A revised fund Communications Policy was approved at the Pension Fund Committee on the 3rd March 2023. The revised policy can be found on the fund website (See link below):

<https://www.oxfordshire.gov.uk/sites/default/files/file/pension-policies/CommunicationPolicy.pdf>
4. A Member Engagement Plan was presented and agreed at the Local Pension Board meeting held on 5th May. This paper presents an update to the plan and sets out priorities for next year.

5. Member Engagement Plan Update:

Plan Ref	Objective	Action taken and progress made in 2023
1	Add QR Codes to user communications	QR code is now used in multiple communications to direct users to My Oxfordshire Pension.
2	Website improvement	<ul style="list-style-type: none">• The website has been maintained and improvements made throughout the year. No major changes have been made other than the addition of the Investment pages.• During a meeting in late November 2023, it was suggested that as the Fund was:

		<ul style="list-style-type: none"> ○ procuring tools and material at cost from our actuary, and for the benefit of employers, and ○ the Comms team are considering placing training videos on the website, <p>it would be better if this content could be in a part of the website which was not in the public domain.</p> <ul style="list-style-type: none"> • We have been advised by the web team that the public website must be fully public and that they would not provide a password protected section – this led to the resurrection of a discussion about creating a Fund specific website, rather than piggy-backing on the OCC website. • This is due to be discussed as part of the business planning meeting in early 2024.
3	Board representative contributing to member news	Not completed. Board members were approached in March and April 2023 but no response received. We would like to revisit this in 2024, if any Board members would like to contribute.
4	Segmenting groups of members for targeted communications	Reports to allow us to segment and target different cohorts of members were rolled out by Heywood in November 2023, and then required some tweaking. We have not yet had the opportunity to use these reports.
5	Collecting email addresses and mobile numbers	<p>The project to collect email addresses and mobile numbers has been initiated. The actions to complete this will be largely completed by the Employer Team. Employers have been informed that they will need to start providing this information and the team have been asked to always record this information where it is provided. This is a long term project - an end date to coincide with roll out of pensions dashboard was agreed.</p> <p>It should be noted that during the McCloud member disclosure exercise undertaken in December 2023 we sent 18,300 letters and 25,500 emails, showing that email is already the more popular means of communication for members.</p>
6	Collaborate with Unions	<ul style="list-style-type: none"> • A meeting and email discussion was held with Unison rep about ways the union colleagues may be able to help • Unite rep has been approached to discuss further collaboration.
7	Set up member panel	No action has been taken on setting up member panels (target date 30/09/2024)

8	Improved use of analytics	<ul style="list-style-type: none"> received a demo of new software that could be used for newsletters and would provide better experience and far superior analytics than at present. Need to write a business case for approval. research done into new software for sending out emails which would also provide better experience and far superior analytics than at present. Currently waiting to see what the new Transformational Member Experience (TME) is able to provide in terms of email functionality before changing our provider. Analytics for My Oxfordshire Pension are in progress as part of the new reports rolled out by Heywood and demonstrated to us in December 2023. These have not been finalised by Heywood yet.
9	Use LinkedIn to broaden reach	Use of social media, particularly LinkedIn is used mainly by large metropolitan funds. Currently not thought to be of value to Oxfordshire – this decision will be reviewed each time the Communications Policy is reviewed.
10	Webinars	<p>Discussion with the Internal Comms team at OCC means we are now able to use Vimeo to share member talks with attendees.</p> <p>Further changes are under discussion now we have more resource, for example.</p> <ul style="list-style-type: none"> Employer training to be partially recorded so that the more static part of the training can be accessed as a video at the user's convenience. We are part of a sub group of the national Communications Working Group to discuss creating a video for all new members of the scheme, covering the basics. Inaugural meeting of the sub-group is in first week of January 2024.
11	Use text messaging contact members	No action taken on using text messaging to contact members. This is reliant on the completion of Action 5 and therefore suggest the completion date be revised to 30/09/2025.
12	Run member satisfaction survey	<p>A member survey trial was undertaken in Q1 2023 covering transactions undertaken in the previous month. The trial was successful but there were some learnings in terms of:</p> <ul style="list-style-type: none"> the phrasing of the questions, the volume of replies received and how the team will deal with issues raised in the survey. <p>These have been considered and adjusted and the survey will be relaunched in Jan 24 to cover transactions completed in Q3 and quarterly thereafter.</p>

		The delay in relaunch was a conscious decision taken because there was a large amount of blanket member communications sent out in Q3 2023 (the investment survey, McCloud disclosure and AVC project)
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6. Priorities for 2024

- A rolling schedule of quarterly member surveys
- Using the reports rolled out in November 2023 to segment and target specific member cohorts with relevant communications.
- The possibility of a new website built to our own specification.
- Make good progress on collecting member email and mobile numbers as a matter of process, as well as postal addresses.
- Focus on expanding our use of webinars and videos to engage members.
- Use the roll out of new technology by Heywood (the new Transformational Member Experience TME) to measure the usage of My Oxfordshire Pension.
- Write a plan for the use of upgraded newsletter software which will enable us to track its success.
- Continue to promote and run face to face member talks.

7. The Board is recommended to note the update on the Member Engagement Plan agreed on the 5th May 2023 and agree the draft priorities for 2024

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master
Tel: 07732 826419

January 2024

Division(s): n/a

PENSION FUND COMMITTEE – 1 DECEMBER 2023

REVIEW OF THE BUSINESS PLAN 2023/24

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

The Committee is RECOMMENDED to

- a) review progress against each of the key service priorities as set out in the report; and**
- b) agree any further actions to be taken to address those areas not currently on target to deliver the required objectives.**

Introduction

1. This report sets out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2023/24 as agreed by the March meeting of this Committee.
2. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2023/24 remain consistent with those agreed for previous years. These are summarised as:
 - To fulfil our fiduciary duty to all key stakeholders
 - To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
 - To achieve a 100% funding level
 - To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
 - To maintain as near stable and affordable employer contribution rates as possible.
3. The service priorities for the year do not include the business as usual activity which will continue alongside the activities included in the service priorities. Business as usual activities are monitored as part of the Administration Report and the report on Investment Performance.

Key Service Priorities – Progress to Date

4. There were 4 service priorities included in the 2023/24 Plan each with a number of key measures of success. The latest position on each is set out in the paragraphs below. The assessment criteria agreed by the previous Committee for each measure of success is as follows:
 - Green – measures of success met, or on target to be met

- Amber – progress made, but further actions required to ensure measures of success delivered, or degree of progress/future requirements unclear
- Red – insufficient progress or insufficient actions identified to deliver measures of success

5. Delivery the Regulatory Changes as set out by the Government The position against the 3 agreed measures of success are set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
No regulatory breaches that require reporting to the Pension Regulator. GREEN	Revised Breaches Policy presented to the Committee. Production of Escalation Policy in respect of Contribution Breaches. Review of Information presented to quarterly meetings of the Committee.	
All Pension Benefit Calculations and Annual Benefit Statements issued with required information on the McCloud remedy. GREEN	Resourcing plan reviewed and progress made on recruiting sufficient staff to complete work. Final Regulations setting out information requirements received and first ABS including McCloud information delayed to August 2025. System changes to automate any new requirements being tested. New calculations currently calculated manually in line with Regulations.	
Scheme Member records available via the Pension Dashboard. GREEN	Work continues on data quality improvement.	Awaiting revised Government timescales.

6. The main change in the last quarter has been the publication of the final McCloud Regulations, which came into effect from 1 October 2023. The rating

for the measure of success regarding the requirement to include McCloud information of Annual Benefit Statements has been amended to Green to reflect that the first Statements to require this information have been delayed to August 2024 for the Fire Pension Scheme and August 2025 for the Local Government Pension Scheme.

7. We continue to review the data we have previously been provided to identify any missing information, or lack of consistency in the data provided. We have set a deadline of 31 January 2024 for all scheme employers to confirm their final data. We are still testing the system enhancements developed to deal with the McCloud remedy and working with the software supplier to iron out any issues. In the interim, new pension calculations are being performed manually, with one-off requests to scheme employers for any missing information, to ensure we comply with the new regulatory requirements to include McCloud underpin calculations.
8. As noted elsewhere within the Governance and Communications report we continue to improve the reporting arrangements around regulatory breaches, which has led to an increase in the number of cases reported, but none have been deemed to be material requiring a report through to the Pension Regulator, or equivalent body.
9. Deliver further improvements to the governance arrangements of the Fund. There were 6 specific measures of success set out in the 2023/24 Business Plan in respect of this priority. The progress against these is set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Governance Officer in post. GREEN	Appointment made.	
Annual Report on Compliance with the Code of Practice presented to the Committee and no significant shortfalls identified. GREEN	New Governance and Communications Standing item added to Committee agenda.	Complete analysis of compliance with General Code of Practice.
Revised Administration Strategy agreed by Committee with clear Service Level Agreement established with all scheme employers. GREEN	Final version of revised Administration Strategy to be agreed at today's meeting of the Committee.	
Revised Breaches Policy agreed by Committee and Committee signed off quarterly key performance indicator	Revised Breaches Policy agreed.	

provides all information they require to gain assurance on compliance with Code of Practice and Regulatory Requirements. GREEN		
Full Workforce Strategy agreed by Committee. AMBER		Awaiting Good Government Guidance from Government
Increase in average scores for the National Knowledge Assessment. AMBER	Knowledge Assessment Completed. Further analysis of results required.	

10. During this last quarter we have consulted on the revised Administration Strategy and the results are included elsewhere on today's agenda. All members of the Committee and Pension Board have also completed the latest Knowledge Assessment and the results are also included elsewhere on today's agenda. The initial results indicate that the average score for the Committee has remained at 56%, but the result for the Pension Board has reduced from 74% to 65%, hence the change in assessment for this measure to Amber. Further analysis will be undertaken on the individual results to explore the reasons for the latest scores, noting the changes in Board membership since last year's assessment.
11. The other area currently scored amber relates to the workforce strategy where we are still waiting for the Government to publish the Good Governance Guidance. Given the continued delays in receiving guidance from Government across a range of issues, it is planned to move forward with the Workforce Strategy over the final quarter of this year, in advance of receiving the long promised guidance.
12. Enhanced Delivery of Responsible Investment responsibilities. There were 4 measures of success set for this service priority within the Business Plan, and progress against these measures is set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Improved quarterly reporting in place to both Committee and on the Fund's webpages, including wider ESG targets, and performance measures, reflected in positive feedback from all stakeholders. AMBER	New Carbon Metrics report produced by Brunel includes additional data on Green Revenues and TPI Management Quality scores. Webpages amended to include underlying company holdings and all key policy documents.	Extend climate scores to the private market portfolios. Review additional ESG scores to be included in future reports.

Successful Application in respect of the Stewardship Code. GREEN	Successful application made under the Stewardship Code.	
Benchmark position established on investments in climate solutions/mitigations and target set for increased investment (with action plan to deliver). GREEN	Commitment made to new local renewable infrastructure portfolio alongside Brunel partner funds. On-going development of Green Revenues report with Brunel	Benchmark position established and new target set.
Continue to meet decarbonisation target, within a balance suite of metrics to include % of Fund invested in Paris Aligned portfolios. AMBER	TCFD report published.	Develop measures on % of Fund invested in Paris Aligned portfolios. Review alongside Brunel partnership of Engagement Policy.

13. Work has continued to progress alongside colleagues within the Brunel Pension Partnership to deliver further improvements in this area. At the time of writing this report, discussions are on-going in respect of operational processes in respect of the implementation of the Brunel Climate Change Policy. The discussion includes consideration of the Engagement Policy adopted by this Committee at its meeting in June 2022.
14. As agreed at the last meeting of this Committee, we have now made a commitment of £30m to a local renewable infrastructure portfolio, alongside 5 other partner funds from within the Brunel Pension Partnership. The initial investments under this portfolio are currently being progressed and include investments within Oxfordshire.
15. Finally in this area, there is a report elsewhere on today's agenda about the development of an over-arching Responsible Investment Policy for the Fund which widens the focus of the current work on climate change to other key environmental, social and governance issues.
16. Deliver further improvements in efficiency and effectiveness of scheme operations through enhancements to technology. Progress against the 5 measures of success for this service priority are set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Increased operational effectiveness as measured through improved SLA performance scores. GREEN	Work programme of technology enhancements agreed with system supplier.	

Improved scheme member/employer satisfaction measured via positive assessment or a reduction in complaints. AMBER	Revised member satisfaction survey piloted.	Pension Board to review survey results and work with Officers to improve assessment process.
Increased Take Up of Member Self Service. GREEN		
Action Plan in place with targets to collection email address and/or mobile phone number for scheme members. AMBER		Action Plan to be developed and priority groups identified.
Reduction in postage costs reflecting greater use of electronic communications. AMBER	Decision to delay on-line payslips. Initial discussions held within County Council around proposed new approach to electronic communications.	

17. The monthly meetings with Heywood who supply the pension system software to manage a series of developments which aim to maximise our effective use of the system are continuing. Whilst the improvements in operational efficiency are already noticeable, it is too early to confirm the impact of the changes on performance, stakeholder satisfaction and cost.
18. Part C of the Business Plan sets out the Fund's budget for 2023/24 which totals £17,662,000. The table below sets out the expenditure to date and the forecast position for the end of the year.

	Budget	YTD	%	Forecast Outturn	Variance
	2023/24	2023/24		2023/24	2023/24
	£'000	£'000		£'000	£'000
Administrative Expenses					
Administrative Employee Costs	1,607	793	49%	1,607	0
Support Services Including ICT	930	676	73%	975	45
Printing & Stationary	132	49	37%	132	0
Advisory & Consultancy Fees	315	3	1%	250	-65
Other	59	41	27%	70	11
Total Administrative Expenses	3,043	1,561	51%	3,034	-9

Investment Management Expenses					
Management Fees	12,450	3,000	24%	12,000	-450
Custody Fees	30	11	38%	30	0
Brunei Contract Costs	1,258	988	79%	1,258	0
Total Investment Management Expenses	13,738	3,999	29%	13,288	-450
Oversight & Governance					
Investment Employee Costs	380	167	44%	370	-10
Support Services Including ICT	12	0	0%	12	0
Actuarial Fees	190	116	61%	190	0
External Audit Fees	50	0	0%	50	0
Internal Audit Fees	17	0	0%	17	0
Advisory & Consultancy Fees	98	17	18%	98	0
Committee and Board Costs	64	2	3%	64	0
Subscriptions and Memberships	70	11	16%	70	0
Total Oversight & Governance Expenses	881	313	36%	871	-10
Total Pension Fund Budget	17,662	5,874	33%	17,193	-469

19. The major variation identified at this time is an expected underspend against the investment management fees which are related to the overall Fund value and therefore as volatile as the financial markets. The underspend reflects the actual fee levels paid during the first quarter.
20. There are other minor variations should in the table. No variation is shown on staffing within the administration team, although there has been a underspend during the first quarter, reflecting the expectation that expenditure will increase through the year following a successful recruitment round and the use of temporary staff above establishment to meet the demands of implementing the McCloud remedy. The two overspends within this area both relate to McCloud including additional project support and the costs of issuing the McCloud disclosure communications. The underspend reflects a reduction in legal fees.
21. Part D of the Business Plan sets out the Training Plan for Committee and Pension Board Members. A training session on the General Code of Practice was held prior to the start of the June Committee Meeting, a session on the Accounting and Audit Requirements and Investment Performance took place on the morning of 27 June 2023, and a session on equity protection preceded the September Committee meeting.

22. As noted elsewhere we will be reviewing future training requirements in light of the results of the latest knowledge assessment exercise.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

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November 2023

Division(s): n/a

PENSION FUND COMMITTEE – 1 DECEMBER 2023

GOVERNANCE & COMMUNICATIONS REPORT

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**
 - i) **Note the results and recommendations of the recent Hyman's Knowledge Progress Assessment.**
 - ii) **Review and note the latest quarter's breaches for the Fund.**
 - iii) **Note the communications update regarding the McCloud Disclosure requirements.**

Hyman's Knowledge Progress Assessment Results

Introduction

2. The 2023 Knowledge Progress Assessment was undertaken by the Pension Fund Committee and Local Pension Board in October 2023. A copy of the draft results is included as an Annex to this report.
3. Pension Fund Committee and Local Pension Board Members face different requirements for gaining and maintaining knowledge and understanding. This reflects that their remit and responsibilities originate from different pieces of legislation. Knowledge requirements falling on Board members are defined statutorily under section 248a of the Public Service Pensions Act 2013 and are personal to each individual. Learning requirements for Committees have been less stringently defined in legislation and currently fall collegiately on Committees as collective bodies rather than on their members as individuals. This though is being reviewed as part of the Good Governance proposals which are currently with the relevant Government Minister awaiting publication.
4. Though their learning obligations under legislation are different, Committee and Board members share significant common ground in terms of the sphere of knowledge and understanding they need to be conversant with. Across the range of Technical Knowledge and Skills Frameworks it has published to date, CIPFA has identified a syllabus of 8 core areas of knowledge under the CIPFA Knowledge and Skills Framework (2021) for LGPS Committee Members and LGPS Officers. These 8 core areas are as follows:
 - i) Pensions Legislation and Guidance

- ii) Pensions Governance
 - iii) Fund Strategy and Actuarial Methods
 - iv) Pensions Administration and Communications
 - v) Pensions Financial Strategy, Management Accounting, Report and Audit Standards
 - vi) Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management
 - vii) Financial Markets and Products
 - viii) Pension Services Procurement, Contract Management and Relationship Management
5. There is a separate technical knowledge and skills framework which is CIPFA Local Pension Boards (2015) with the following 8 core areas:
- i) Pensions Legislation
 - ii) Pensions Governance
 - iii) Pensions Administration
 - iv) Pensions Accounting and Auditing Standards
 - v) Pension Services Procurement and Relationship Management
 - vi) Investment Performance and Risk Management
 - vii) Financial Markets and Product Knowledge
 - viii) Actuarial Methods. Standards and Practices
6. **2023 LGPS Knowledge Progress Assessment Results**
Hymans Robertson have now co-ordinated and produced the results which are contained in the Annex to this report.
7. The assessment consisted of 48 multiple choice questions across 8 key areas:
- i) Committee Role and Pension Legislation
 - ii) Pensions Governance
 - iii) Pensions Administration
 - iv) Pensions Accounting and Audit Standards
 - v) Procurement and Relationship Management
 - vi) Investment Performance and Risk Management
 - vii) Financial Markets and Product Knowledge
 - viii) Actuarial Methods, Standards and Practices
8. The performance of the Board (average overall score of 65.28 %) was stronger than that of the Committee (average overall score of 56.51 %). This is similar to the outcomes in the last two assessments and a reflection of the fact that the Board has longer serving members, as well as the Independent Chair who is the Head of Gloucestershire Pension Fund.
9. The Committee performed most strongly in the areas of Committee Role and Pensions Legislation and Pensions Governance.
10. The areas of strongest knowledge for the Board were Investment Performance and Risk Management and Procurement and Relationship Management.

11. The scores in areas where members of Committee and Board received training in response to the National Knowledge Assessment in 2022 (Pensions Accounting and Audit Standards; Investment Performance and Risk Management) showed a marked improvement from last year:

Knowledge Progress Assessment 2023		
	Committee	Board
Pensions Accounting and Audit Standards	47.92% (up 20.92% on last year)	55.56% (up 13.56% on last year)
Investment Performance and Risk Management	60.42% (up 13.42% on last year)	72.22% (up 22.22% on last year)

12. As last year, the performance for the Committee and Board diverged the most in the Pensions Administration section, when the Board scored 27.08% higher than the Committee. However, it is also the area where both groups saw the steepest regression from the National Knowledge Assessment in 2022 to this year's assessment. As a result, future training could potentially be focussed on this area to support understanding.
13. In terms of engagement, the results show 80% participation for Committee. This is a direct result of the changing constitution of the Committee and the removal of two of the Academy Sector non-voting members. All current members of the Committee completed the assessment. 100% of the Board also completed the assessment.
14. The training plan for 2024/25 will be based on this assessment and individual Committee and Board member results and will be presented to Committee at the March 2024 meeting.
15. In summary, the assessment demonstrates both excellent levels of knowledge and skills of both the Committee and Board, together with exemplary engagement. Nevertheless, improvements are still necessary in some areas and those will be prioritised in the training plan for the next year.

Breaches for the period July to September 2023

16. There are various legislative and regulatory requirements for Pension Funds regarding breaches which include the Pensions Act 2004, the UK General Data Protection Regulation (UK GDPR) and the Pension Regulator's Code of Practice 14 (CoP).
17. The following table shows the number of breaches in the last quarter – July to September 2023.

Note – The breaches policy has been revised and new improved systems have been implemented for identifying breaches. Consequently, there has been an increase in the number of breaches being identified and reported this quarter.

2023/2024					
Breach Type	Apr-Jun (Q1)	Jul-Sep (Q2)	Oct-Dec (Q3)	Jan-Mar (Q4)	Total
Contribution - CoP	2	17			19
Data - CoP	0	15			15
Data - GDPR	2	9			11
Other - CoP	0	0			0
Total	4	41			45
Number escalated	2	1			
Number resolved	4	41			
Number carried over to next quarter	Nil	Nil			

Data Breaches

18. Five of the nine data breaches were letters sent to an incorrect address, opened by the new occupant, and then returned to us. Two of the nine breaches were where information was sent to the incorrect LGPS fund. The final two breaches were where member data had been sent to the incorrect employer. Corrective action was taken in all cases and are now closed.

Code of Practice Breaches

19. The new process for contribution monitoring started in August. In the new process a breach is recorded every time a contributions payment or data return is submitted after the 19th of the month following payroll. Previously, breaches were only recorded when late submissions and payments were escalated to the Pension Services Manager or Head of Pensions. In Q2, one case was escalated to a Team Leader. This, and all other Code of Practice breaches are now resolved.
20. None of the breaches were materially significant and as such were not reported to either The Pensions Regulator or the Information Commissioner.

Communication of McCloud Disclosure Requirements

21. The regulations implementing the McCloud remedy came into force on 1 October 2023. The changes to the LGPS rules in respect of age discrimination constitute a 'material change to basic scheme information' under The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.
22. We are required to give information about the regulation changes to all people whose rights or prospective rights may be affected. This must be done within three months of 1 October 2023. The Communications team is working with the rest of Pension Services to ensure these disclosure requirements are met.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

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2023 LGPS Knowledge Progress Assessment

Oxfordshire Pension Fund

Overview

This Knowledge Progress Assessment (KPA) allows a direct insight into the knowledge and skills of the key decision makers and oversight body of the Oxfordshire Pension Fund.

Participants answer a series of questions covering a broad spectrum of topics, for which they should be familiar to effectively perform their role. Based on their responses, a score is recorded for each member, and also collectively for both the committee and Board.

This information can be incredibly valuable in helping shape and plan training sessions at both group and individual level.

This assessment sits alongside the LGPS National Knowledge Assessment (NKA). Unlike the NKA, there is no benchmarking provided against the results of all other participating Funds. The results focus solely on your Fund.

The questions posed in the assessment are split into 3 categories:

- Technical questions
- Roles and responsibilities
- Decision making

Technical questions, made up around two thirds of the questions. The remaining questions were split between the categories of Roles and Responsibilities as well as Decision Making. This helps to provide more in-depth analysis of the results and provides further context to the proposed training plans.

The Knowledge Progress Assessment is a challenging multiple-choice assessment of participants’ knowledge and understanding of key pension areas. There was no expectation that participants would score 100% on each subject area tested. Rather, the goal was to gain a true insight into members’ knowledge in the areas covered by the CIPFA Knowledge and Skills Framework and the Pensions Regulator’s (TPR) Code of Practice.

Background

The Oxfordshire Pension Fund agreed to participate in the KPA using our online assessment. This is in addition to having completed the 2022 NKA.

This report provides an overview of the participants’ results broken down into 8 key areas.

The online assessment opened in October, and there were weekly progress updates provided to the Fund confirming participation levels.

Each participant received their individual results report following completion of the assessment.

Why Does this Matter?

While fund officers may deal with the day-to-day running of the funds, members of the Committee play a vital role in the scheme as decision makers.

To execute their roles effectively, Committee members must be able to address all relevant topics such as investment matters, issues concerning pension funding, pension administration and governance.

All topics which require a level of knowledge and understanding from the Committee. Similarly, the Pension Board members must have a sound knowledge of these topics in order to be able to offer critical challenge in the oversight of Committee decisions.

The Assessment

The members of the Oxfordshire Pension Fund Committee and Board were invited to complete an online knowledge assessment. In total there were 8 respondents from the Committee and 6 respondents from the Board.

Each respondent was given the same set of 48 questions on the 8 areas below:

Section	Names
Section 1	Committee Role and Pensions Legislation
Section 2	Pensions Governance
Section 3	Pensions Administration
Section 4	Pensions Accounting and Audit Standards
Section 5	Procurement and Relationship Management
Section 6	Investment Performance and Risk Management
Section 7	Financial Markets and Product Knowledge
Section 8	Actuarial Methods, Standards and Practices

Under each subject heading, there were 6 multiple choice questions to answer. Each question had 4 possible answers, of which one answer was correct.

Participants were also given the option of selecting “I have no knowledge of this area”, where they were unsure.

This allows us to build a picture of the knowledge levels of each individual member in each of the topics, but crucially to help inform you of the overall levels of knowledge in each area.

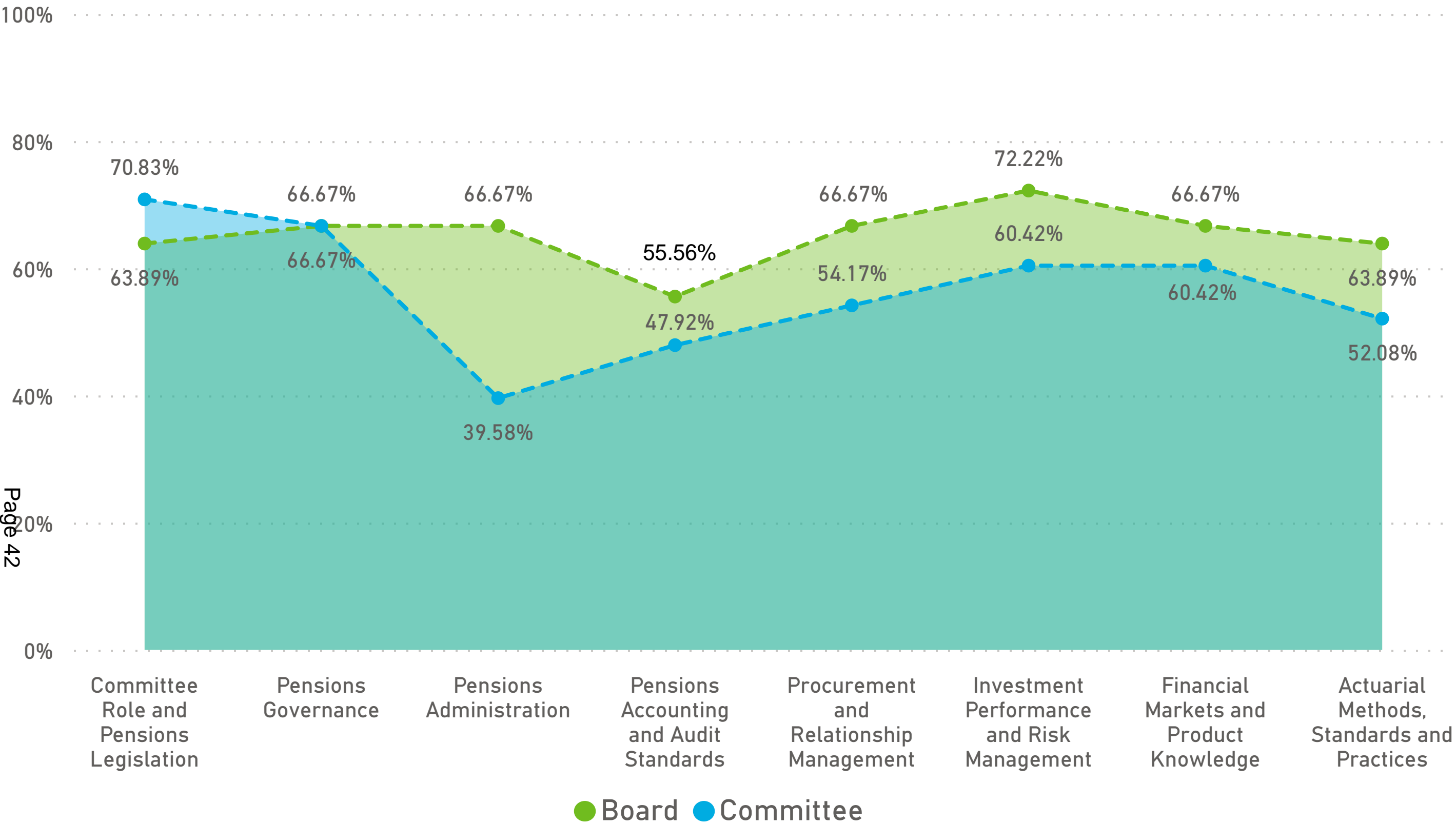
Results

The responses for all members who participated have been collated and analysed. For each section we have shown:

- The average score for each of the 8 subject areas, for both the Committee and Board.
- Results split by the categories of “**technical**”, “**roles and responsibilities**” and “**decision making**”.
- Each score compared with the results of the previous assessment taken by the fund, to show growth or regression in each area.
- Engagement levels for both the Committee and Board and how these levels rank against other LGPS funds.
- The most requested topics for training.

Based on the results and the responses received from participants, we have also completed a proposed training plan for the Fund over the next 18 months, as well as some other “next steps” to consider.

Average Score for Board & Committee



For each of the assessment's 8 areas we have shown the results of both the Committee and Board.

These have been shown in the order in which the sections appeared in the survey.

There is also a summary showing the average scores across all sections for the Committee and Board.

- The performance of the Board (average overall score of 65.28 %) was stronger than that of the Committee (average overall score of 56.51 %).
- The performance for the Committee and Board diverged the most in the Pensions Administration section, when Board were 27.08% higher than the Committee.
- The Committee performed most strongly in the areas of Committee Role and Pensions Legislation and Pensions Governance.
- The Board areas of strongest knowledge were Investment Performance and Risk Management and Procurement and Relationship Management.

Commentary on results

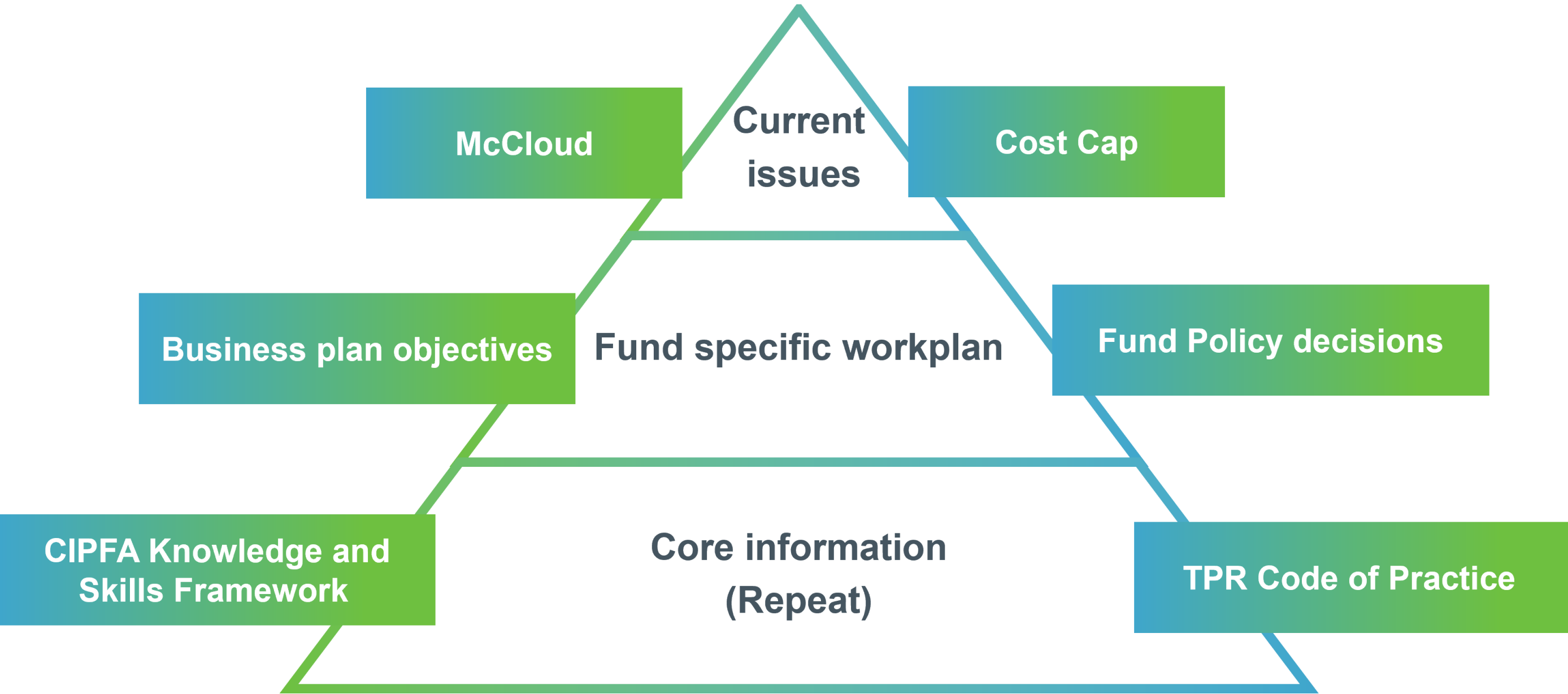
It’s encouraging that 14 participants from your Fund took part in the assessment. Overall, the results were positive and it’s clear that there are areas of greater knowledge levels as well as areas in which knowledge should be developed over time.

We would fully expect there to be gaps in the knowledge of all members, no matter their role on the Committee/Board, their tenure or indeed their background in terms of pensions experience.

The most important thing to emphasise is that not everybody needs to be an expert in all areas, rather there should be a spread of knowledge across your Committee and Board which is supported by advice from officers and professional advisors.

Just as important as gaining the relevant knowledge and understanding expected of a Pension Committee or Board, is the application of that knowledge and understanding, including the utilisation of an individual’s own background and perspective.

Many funds have implemented training plans that follow the pyramid diagram of LGPS training areas. Fundamentally, a plan based on this example pyramid would provide a LGPS fund with a robust training program for its Committee and Board.



Committee

The results show that Committee Role and Pensions Legislation and Pensions Governance have the highest levels of knowledge. But the areas to focus any specific training on might be Pensions Administration for the Committee.

In general, the Committee’s performance was reasonably strong. There are areas which could be improved on with focused training.

Local Pension Board

The results show that Investment Performance and Risk Management and Procurement and Relationship Management have the highest levels of knowledge, but the areas to focus any specific training on might be Pensions Accounting and Audit Standards for the Board.

The next step would be to try and develop the knowledge of the lower scoring areas. You might already have a training plan in place, in which case you could use these results to tailor the specific training and with the knowledge of these results, ensuring it aligns with your priorities.

Further Analysis

In order to gain further insight into the knowledge and understanding, the questions posed covered 3 distinct areas. These were:

- **Technical** – 66% of questions
- **Decision Making** – 17% of questions
- **Roles and responsibilities** – 17% of questions

The purpose of this was to drill deeper into the collective understanding of these categories, and to provide further analysis on which areas to target when creating training plans. The following chart shows the average score for each of these sections, for the Committee and Board combined.



From this chart, the lowest scoring area was Technical . Bearing this in mind, a particular focus could be put on this over the coming months.

Some next steps to consider are:

Decision making – A review of the Fund's decision-making procedures, and updating/creating a decision-making matrix, and sharing this with the Committee and Board to ensure visibility of the role of each group in across a broad spectrum of potential decisions.

Roles and responsibility – A specific training session covering the roles and responsibilities of different parties covering different points in the annual cycle of the Fund. This could include preparation of annual report, annual benefit statements, business planning and investment performance reviews for example. It would also be good to cover more niche topics such as the IDRP process, review of suppliers and cyber risk.

Technical – The majority of the questions in the assessment were technical and related to core areas of knowledge and skills for Committees and Boards. We would expect the Fund's training strategy and training plan to reflect requirements here.

Collective Knowledge

It is not just the overall average scores which are important, we realise that you need to be aware of the collective knowledge of your members. All Committee and Board members will bring different experience and perspectives, and will feel more comfortable providing challenge in areas they are more knowledgeable in. As such, the spread of detailed knowledge in each subject is important for the robust governance of the Fund.

For this reason we feel it is important to understand how many members scored highly in each of the topics, to provide an insight into the breadth of knowledge. Where a Committee or Board have individuals with high knowledge levels in each of the topics, the Fund will feel more assured that both groups will be able to provide challenge or guidance, as and when required.

A well rounded Committee or Board will have a number of members scoring highly in each topic. To measure this, we have analysed:

- the number of members who correctly answered at least 5 of the 6 questions in each topic.

Oxfordshire PF Results

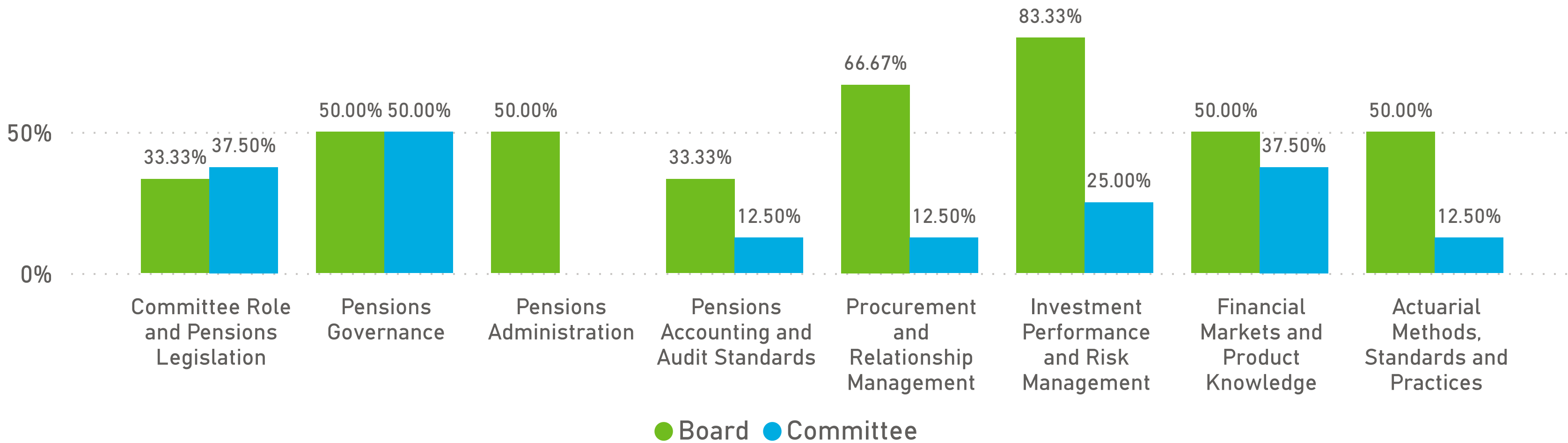
It is also important that it is not just the same individuals who score highly in each topic. A spread of individuals with detailed knowledge across different topics, is more likely to create an effective Committee or board.

We have analysed the number of members who correctly answered 5 or 6 questions in at least one topics. This gives an indication of the spread of knowledge. The chart below shows the respondents who correctly answered 5 or 6 questions correctly in each particular section.

- For the Committee there were 7 of members who scored highly in at least 1 topic.
- There were 5 Board members who scored highly in at least 1 topic.

This is a positive result, as you would hope that most members would have specialist, detailed knowledge in at least one subject area

Knowledge Spread



Comparison with previous results

The Oxfordshire Pension Fund also took part in a previous Assessment. The results for each of the 8 topics can be compared to measure progress in each area.

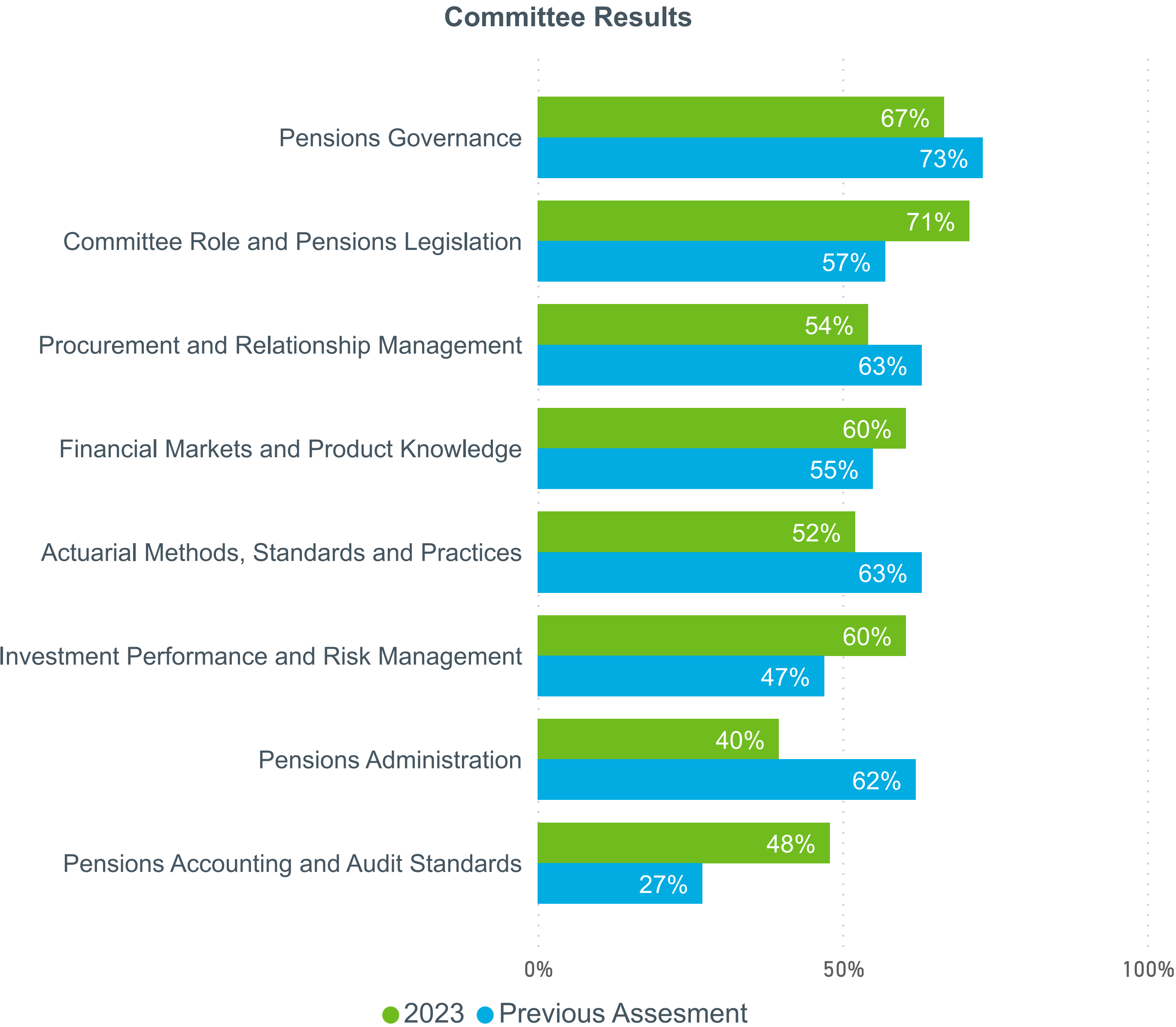
This is shown in the following chart.

The average score for each topic this year is compared with that from the previous assessment. This has been broken down to show the results for the Committee and Board separately.

It's worth noting that while there will be differences in the members who actually participated in each assessment, it's the collective knowledge of each group which is important.

The area in which knowledge appears to have developed most for the Committee is Pensions Accounting and Audit Standards and the Committee's Role and Pensions Legislation which is encouraging.

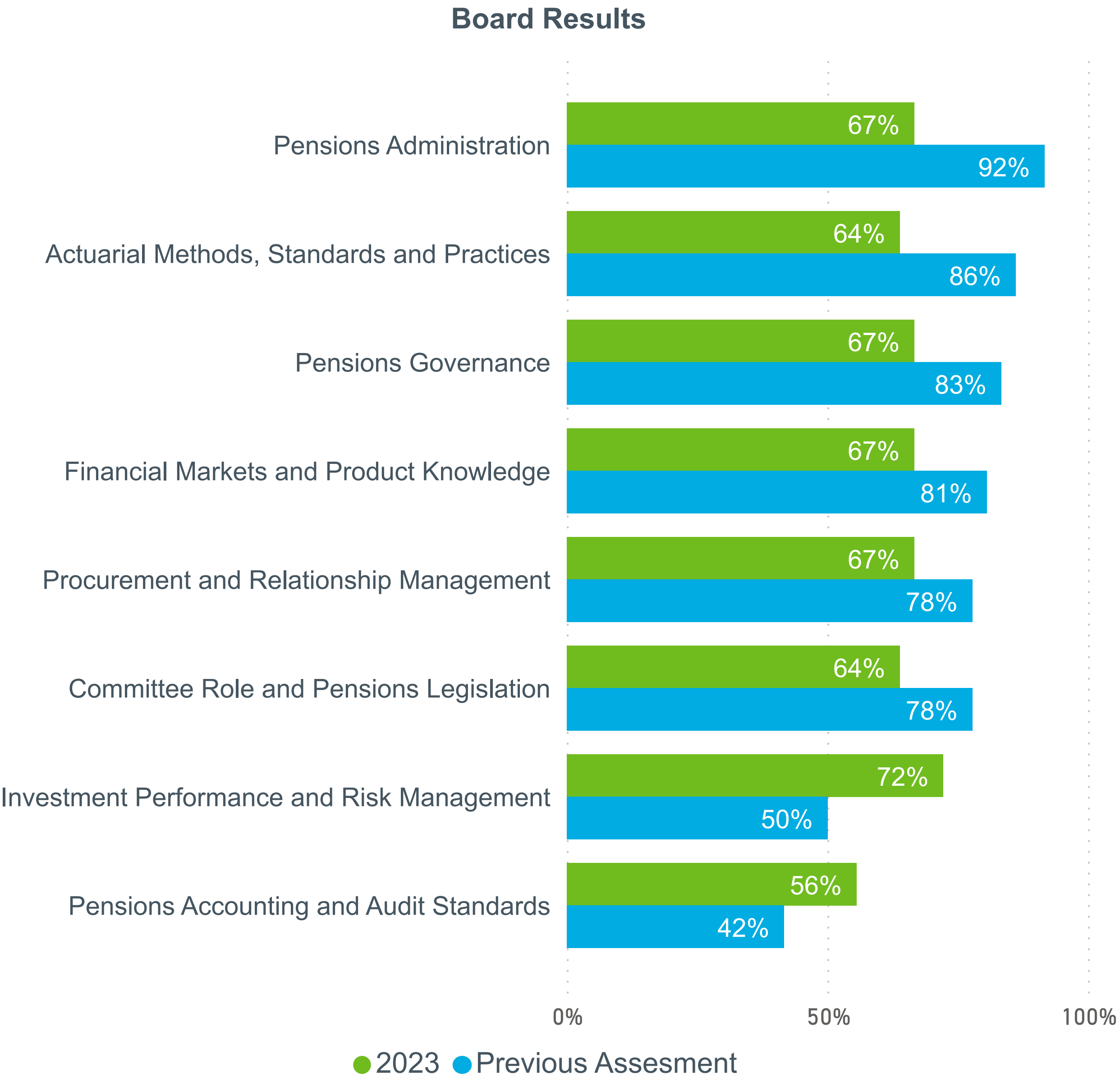
On the other hand, knowledge levels seem to have regressed in Pensions Administration and Actuarial Methods, Standards, and Processes in particular.



The same comparison can be made for the Board. The chart on the right shows these results.

The area in which knowledge appears to have developed most for the Board is Investment Performance and Risk Management which is encouraging. On the other hand, knowledge levels seem to have regressed in most areas.

It's worth noting that the underlying questions have changed between both assessments. This might account for some small differences in the results.



Engagement

One of the key areas that we recommend funds focus on is Committee and Board training engagement.

With the ever-increasing pace of change in the pensions and investments world, member engagement is critical to maintaining strong collective knowledge. There is an expectation that they need not only be willing, but keen to develop their knowledge and understanding across the raft of topics upon which they will need to make, or ratify, decisions.

One measure of the engagement of members is their willingness to participate in training. As such, we have used the participation level of this survey to measure the engagement of your Committee and Board members.

The chart below shows the breakdown of the total number of participants from the Oxfordshire Pension Fund, as a proportion of those who could have responded.

Role	Participants	Possible Participants	Participation Rate	Previous Participation Rate
Committee	8	10	80.00%	100.00%
Board	6	6	100.00%	100.00%
Total	14		87.5%	

That 14 participants from your Fund took part in the assessment is highly encouraging. With the number of changes to the LGPS in recent years, it is vital that Committee and Board members remain abreast of the latest developments and feel confident that they have the knowledge required to make the decisions required of them.

Their level of engagement is a key driver of this. Overall engagement seems to be at a good level; however, it is important to maintain this, particularly in the current climate where face-to-face meetings and delivery of training sessions might be in Hybrid format for some time to come.

One of the biggest challenges in this area is how to improve engagement. The move to online learning and tackling topics in bitesize chunks can help.

The way in which information is shared with the Committee and Board can also promote engagement.

There have been moves by some funds to issuing short timely bulletins and newsletters to increase training knowledge and engagement, which we very much encourage.

Training Feedback from Participants

One of the final sections of the survey asked participants to indicate which topics they would like to receive training on.

There was a list of options available, covering a broad spectrum of the topics we believe are most relevant to allowing Committee and Board members to effectively perform their roles. Members were also given the option to indicate any other areas in which they would benefit from further training.

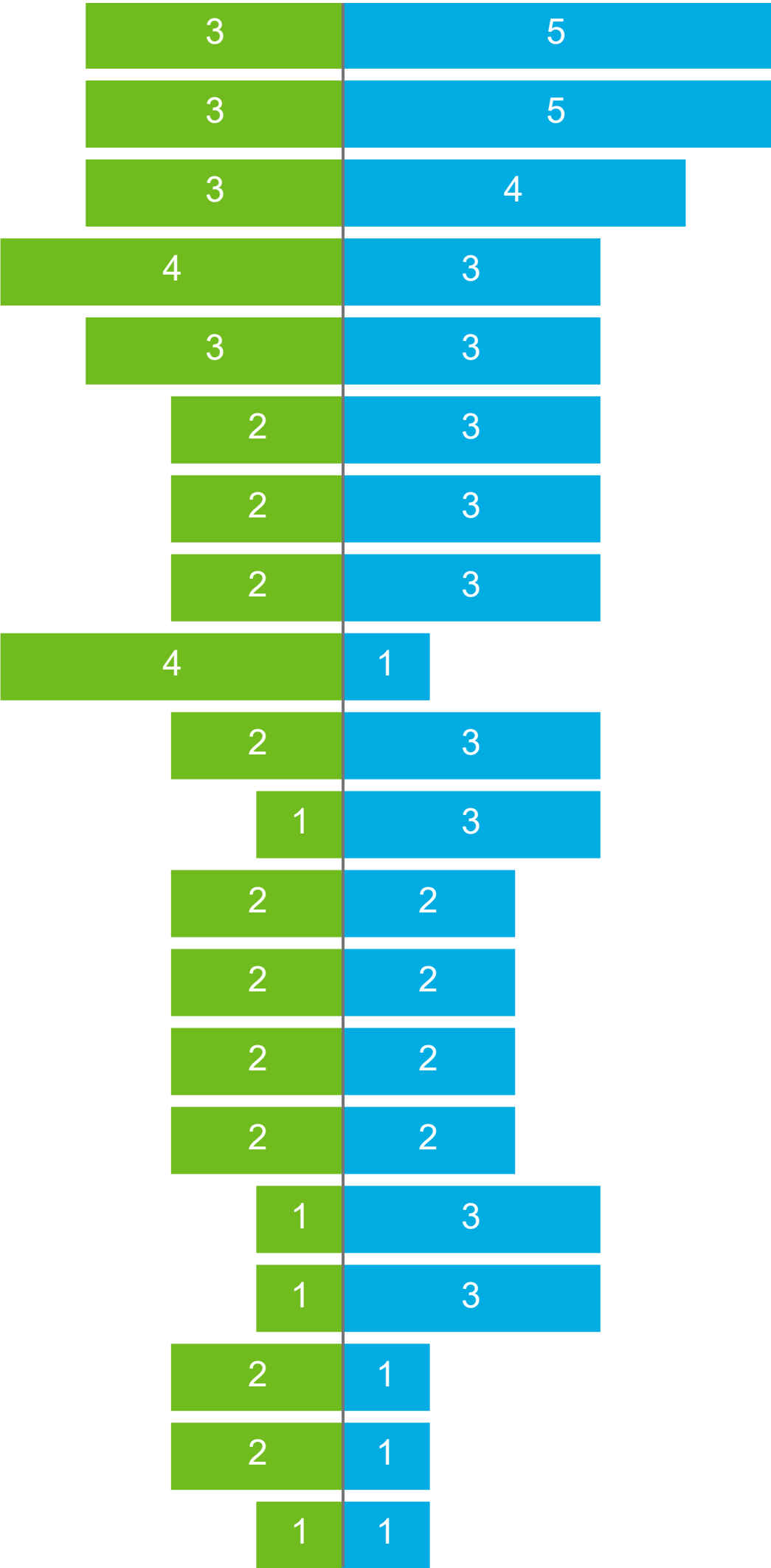
The table on the right summarises the areas in which members indicated training would be beneficial.

A suggested training plan is shown on the next page.

Training requirements

● Board ● Committee

McCloud impacts
Procurement and Relationship Management
Levelling up and impact investing
Pensions Governance
Actuarial Methods, Standards and Practices
Good Governance
Illiquid asset training
Pensions Accounting and Audit Standards
Pensions Administration
Pensions Dashboards
Committee Role and Pensions Legislation
Environmental, Social and Governance / Res...
Financial Markets and Product Knowledge
LGPS Code of transparency
Pension Scams
Section 13
Task Force on Climate-related Financial Discl...
Cyber security
Investment Performance and Risk Managem...
Pension Regulator Code of Practice



Next Steps

- Based on the results, we would suggest that there should be consideration to the following next steps:
- This report should be **reviewed** by the Fund’s officers and results shared with the Committee and Board.
 - Set up a **structured training plan** or adjust the existing training plan for the next 18 months covering the main areas highlighted in this report.
 - Plan for the **delivery** of training over the immediate 6-month period following these results and communicate that intention with the Committee and Board.
 - Consider the most **pressing** training requirements in the coming months. Importantly, look at the **frequency** of training engagement with your Committee and Board.
 - **Assess** the tools available to the Fund to assist with training, and whether any new methods should be deployed.
 - Consider ways of **maintaining** and **increasing** the engagement of both the Board and Committee. This could include providing them with more information, training materials, briefing notes etc.
 - Ensure that the Fund’s training strategy is up to date and **appropriate** for purpose.

We will be producing a national LGPS report on the results of these assessment, which will aid Scheme Advisory Board LGPS training discussions.

A copy of this will be made available to the Fund when that report is complete.

If you wish to discuss the contents of this report further, please get in touch.

Prepared by Hymans Robertson LLP.

Andrew McKerns



Senior LGPS Governance, Administration and Projects (GAP) Consultant

Alan Johnson



LGPS Governance, Administration and Projects (GAP) Consultant

Reliances and Limitations

This report has been prepared for the Oxfordshire Pension Fund.

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as of October 2023.

Division(s): n/a

PENSION FUND COMMITTEE – 1 DECEMBER 2023

RISK REGISTER & RISK MANAGEMENT FRAMEWORK

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. **The Committee is RECOMMENDED to:**
 - a) **Note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate;**
 - b) **Agree the new Oxfordshire County Pension Fund Risk Management Framework as set out at Appendix 'A'.**

Introduction

2. Previously, the Committee had agreed that the risk register should form a standard item for each quarterly meeting. A copy of the report also goes to each meeting of the Pension Board for their review. Any comments from the Pension Board are included in their report to this meeting.
3. The risk register (Annex 1) sets out the current risk scores in terms of impact and likelihood, and a target level of risk and a mitigation action plan to address those risks that are currently not at their target score. This report sets out any progress on the mitigation actions agreed for those risks not yet at target and identifies any changes to the risks which have arisen since the register was last reviewed.

Comments from the Pension Board

4. At their meeting on 20 October 2023, the Pension Board considered the latest risk register and requested that a new risk was added regarding the Impact of Pension Scams.

Latest Position on Existing Risks/New Risks

New Emerging Risks

5. Risk 26 – 'Impact of Pension Scams'. It was requested by the Board to add this as a new risk to the risk register. The risk rating for the risk is a green score 3 because the risk is effectively mitigated through practices and processes which have already been established through compliance with the code of practice.

Increasing Risk

6. None of the current risks on the risk register have been assessed as increasing in their respective risk rating assessment.

Reducing Risk

7. Risk 21 – ‘Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant.’ Two new staff have been recruited to support the project, a project plan has been developed and implemented, and enquiries have gone out to all employers with responses due by the end of January 2024. The risk rating has been assessed as a lower amber 8 as opposed to a red 12 previously.

Risks removed from the Risk Register

8. Risk – ‘Legal Challenge on the basis of age discrimination in Firefighters Pension Scheme – Sergeant’ – has been removed as a risk on the register. The amending legislation has now been received and is in place, so the interim framework agreement for retirements before 1 October 2023 is no longer required.
9. Risk – ‘Departure of the current Independent Investment Advisor (IIA)’. The previous IIA has now left and has been replaced by another qualified IIA by the APEX Group.

Same Risk Rating

10. All other risks have been assessed and remain the same as last quarter.

Oxfordshire Pension Fund – Risk Management Framework

11. The Risk Management Framework is a new document for the fund. The document sets out all the key processes and responsibilities for effective risk management and thereby ensures compliance against all relevant scheme guidance, regulation, and legislation.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master
Tel: 07732 826419

November 2023

Risk Register

Identification of Risks:

These are the risks that threaten the achievement of the Pension Services objectives. Risks have been analysed between:

- Funding, including delivering the funding strategy;
- Investment;
- Governance
- Operational; and
- Regulatory.

Key to Scoring

Impact		Financial	Reputation	Performance
5	Most severe	Over £100m	Ministerial intervention, Public inquiry, remembered for years	Achievement of Council priority
4	Major	Between £10m and £100m	Adverse national media interest or sustained local media interest	Council priority impaired or service priority not achieved
3	Moderate	Between £1m and £10m	One off local media interest	Impact contained within directorate or service priority impaired.
2	Minor	Between £100k and £500k	A number of complaints but no media interest	Little impact on service priorities but operations disrupted
1	Insignificant	Under £100k	Minor complaints	Operational objectives not met, no impact on service priorities.

Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)
2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

RAG Status/Direction of Travel

	Risk requires urgent attention
	Risks needs to be kept under regular review
	Risk does not require any attention in short term
↑	Overall Risk Rating Score is Increasing (Higher risk)
↔	Risk Rating Score is Stable
↓	Overall Risk Rating Score is Reducing (Improving Position)

Ref	Risk	Scheme	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
								Impact	Likelihood	Score				Impact	Likelihood	Score		
1	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Service Manager	Triennial Asset Allocation Review after Valuation.	4	1	4	↔			4	1	4	August 2023	At Target
2	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	4	1	4	↔			4	1	4	August 2023	At Target
3	Investment Strategy not aligned with Pension Liability Profile	LGPS	Investment	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	3	1	3	↔			3	1	3	August 2023	At Target
4	Under performance of asset managers or asset classes	LGPS	Investment	Loss of key staff and change of investment approach at Brunel or underlying Fund Managers.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly assurance review with Brunel. Diversification of asset allocations.	3	2	6	↔			3	2	6	August 2023	At Target
5	Actual results vary to key financial assumptions in Valuation	LGPS	Funding	Market Forces	Long Term - Pension deficit not closed.	Service Manager	Actuarial model is based on 5,000 economic scenarios, rather than specific financial assumptions.	3	2	6	↔			3	2	6	August 2023	At Target
6	Under performance of pension investments due to ESG factors, including climate change.	LGPS	Investment	Failure to consider long term financial impact of ESG issues	Long Term - Pension deficit not closed.	Financial Manager	ESG Policy within Investment Strategy Statement requiring ESG factors to be considered in all investment decisions. The Fund have a Climate Change Policy and implementation plan.	4	1	4	↔			4	1	4	August 2023	At Target.

7	Loss of Funds through fraud or misappropriation.	LGPS	Investment	Poor Control Processes within Fund Managers and/or Custodian	Long Term - Pension deficit not closed	Financial Manager	Review of Annual Internal Controls Report from each Fund Manager. Clear separation of duties.	3	1	3	↔			3	1	3	Nov 2023	At Target
8	Employer Default – LGPS	LGPS	Funding	Market Forces, increased contribution rates, budget reductions.	Deficit Falls to be Met by Other Employers	Pension Services Manager	All new employers set up with ceding employing underwriting deficit, or bond put in place.	3	2	6	↔	Fund Administration currently implementing the new Contributions Escalation Policy. This provides an early indicator for those employers who are missing or delaying payments.		3	2	6	Nov 2023	At Target
9	Inaccurate or out of date pension liability data	LGPS	Funding	Late or Incomplete Returns from Employers	Errors in Pension Liability Profile impacting on Risks 1 and 2 above.	Pension Services Manager	Monitoring of Monthly returns	3	1	3	↔			3	1	3	Nov 2023	At Target
10	Inaccurate or out of date pension liability data from Employer	LGPS	Operational	Late or Incomplete Returns from Employers	Late Payment of Pension Benefits.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	3	1	3	↔			3	1	3	Nov 2023	At Target
11	Inaccurate or out of date pension liability data from Employer	LGPS	Operational	Late or Incomplete Returns from Employers	Improvement Notice and/or Fines issued by Pension Regulator.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	4	1	4	↔			4	1	4	Nov 2023	At Target
12	Insufficient resources from Committee to deliver responsibilities-	LGPS	Operational	Budget Reductions	Breach of Regulation	Service Manager	Annual Budget Review as part of Business Plan.	4	1	4	↔			4	1	4	Nov 2023	At Target
13	Insufficient Skills and Knowledge on Committee	LGPS	Operational	Poor Training Programme	Breach of Regulation. Loss of Professional Investor Status under MIFID II	Service Manager	Training Review	4	2	8	↔	Implement new training plan 23/24. Outcomes of the knowledge progress assessment from Hymans	2023/24	4	1	4	Nov 2023	
14	Insufficient Skills and Knowledge amongst Board Members	LGPS	Operational	Turnover of Board membership	Insufficient Scrutiny of work of Pension Fund Committee leading to Breach of Regulations	Service Manager	Training Policy	4	3	12	↔	Implement new training plan 23/24 Currently recruiting to 1 scheme employer representatives. Outcomes of the knowledge progress	2023/24	4	1	4	Nov 2023	

												assessment from Hymans						
15	Insufficient Skills and Knowledge amongst officers.	LGPS	Operational	Poor Training Programme and/or high staff turnover. Pay grades not reflecting market rates and affecting recruitment and retention.	Breach of Regulation, errors in Payments and ineffective scheme member engagement. Inability to effectively meet RI and Climate related objectives.	Service Manager	Training Plan. Control checklists. Use of staff from 3 rd party agencies	3	2	6	↔	The Workforce Strategy required next year as part of the 'Good Governance' Project from Central Government.	Sept 2023	3	1	3	Nov 2023	Awaiting publication of the Good Governance Project proposals.
16	Key System Failure	LGPS	Operational	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme, and Cyber Security Policy	4	2	8	↔	Complete Actions identified in review of approach to Cyber Security. The above action delayed due to an IT Applications Audit report findings. Awaiting TPR finalised requirements for GCP.	Apr 2024	4	1	4	Nov 2023	Gaps in monitoring of compliance identified in review of approach to cyber security, which suggests risks not fully mitigated
17	Breach of Data Security	LGPS / FPS	Operational	Poor Controls	Breach of Regulation, including GDPR	Pension Services Manager	Security Controls, passwords etc. GDPR Privacy Policy and Cyber Security Policy.	4	2	8	↔	Complete actions identified in review of approach to Cyber Security. The above action delayed due to an IT Applications Audit report findings. Awaiting TPR finalised requirements for GCP.	Apr/Dec 2024	4	1	4	Nov 2023	Gaps in monitoring of compliance identified in review of approach to cyber security, which suggests risks not fully mitigated.
18	Failure to Meet Government Requirements on Pooling	LGPS	Governance	Inability to agree proposals with other administering authorities.	Direct Intervention by Secretary of State	Service Manager	Full engagement within Brunel Partnership	5	1	5	↔	Review once Government publish revised pooling guidance.	TBC	5	1	5	Nov 2023	At Target
19	Failure of Pooled Vehicle to meet local objectives	LGPS	Investment	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Service Manager	Full engagement within Brunel Partnership	4	2	8	↔	Implementation of the Climate Change Policy with Brunel.	On-going	4	1	4	Nov 2023	Above Target

20	Significant change in liability profile or cash flow as a consequence of Structural Changes	LGPS	Funding	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	In sufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Service Manager	Engagement with key projects to ensure impacts fully understood	4	1	4	↔	Need to Review in light of current Government consultation to switch HE and FE employers to Designating Bodies, and potential reclassification and introduction of a Government guarantee.	TBC	4	1	4	Nov 2023	At Target
21	Insufficient Resource and/or Data to comply with consequences of McCloud Judgement & Sergeant.	LGPS / FPS	Operational	Significant requirement to retrospectively re-calculate member benefits	Breach of Regulation and Errors in Payments	Pension Services Manager	Two new staff in post. All McCloud enquiries have gone out to Scheme employers. Responses due end of Jan.	4	2	8	↓	Still awaiting priority listing to be issued by Central Government.	On-Going	2	2	4	Nov 2023	
22	Loss of strategic direction		Governance	Loss of key person	Short term lack of direction on key strategic issues	Director of Finance	Governance & Communications Manager has started and as a consequence provides resilience to the team.	2	1	2	↔			2	1	2	Nov 2023	At Target.
23	EMERGING RISK 1: Lack of administrative resources and knowledge for FPS, specifically with additional remedy workload and second options exercise for on call fire fighters.	FSP	Operational (FPS)	Court judgements have created additional work. Also, concern that there is a key person risk.	Breach of Regulation, Errors in Payments, and ineffective scheme member engagement. Reputational damage to OCC	Deputy Chief Fire Officer / Pension Services Manager	Initial discussions have taken place – options 1. appoint new FPS administrator. 2. outsource administrative function, which was discounted.	4	2	8	↔	Recruitment is now in progress.	TBC	2	2	4	Nov 2023	New post currently with Job Evaluation, hence delays.
24	Emerging Risk 2: Increasing Central Government requirements for Asset Allocations	LGPS	Investment	New Central Government consultation for LGPS funds to have a 10% asset allocation to Private Equity	Potential impact on the Committee's ability to deliver its fiduciary duty.	Services Manager	Response to Government Consultation by the Fund	4	2	8	↔	Response to consultation to be agreed by the committee at its September Meeting.	Sept 2023	4	1	4	Nov 2023	

25	Emerging Risk 4: Potential loss of key members of staff	LGPS FPS	Operational	Potential risk of retirement of the Service Manager and the Pension Services Manager	Loss of experience, knowledge and strategic leadership for the Fund	Director of Finance	Succession planning for any potential departure.	3	2	6	↔	Succession planning and early start to seek replacement for Service Manager	Apr 2024	3	1	3	Nov 2023	
26	Emerging Risk 5: Impact of Pension Scams	LGPS FPS	Operational	Failure to follow TPR guidance for transfers out.	Financial loss to members. Potential cost to Fund for making good any loss. Potential TPR sanctions and reputational damage.	Pension Services Manager	TPR guidance for transfers out and the forthcoming regulations in the General Code of Practice. All processes are in line with the above.	3	1	3	NEW	Gap Analysis and review of regulations in the new General Code of Practice.	Apr 2024	3	1	3	Nov 2023	

Oxfordshire Pension Fund

Risk Management Framework

Review Date: December 2023

Introduction

This is the Risk Management Framework for the Oxfordshire Pension Fund, administered by Oxfordshire County Council, the administering authority. The Fund must establish and operate internal controls which must be adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and with the requirements of the law. The Risk Management Framework forms part of the internal controls.

Purpose of the Framework

This framework sets out how the Fund intends to manage risk, with the aim of:

- Integrating risk management into the culture and day-to-day activities of the Fund;
- Raise awareness of the need for risk management by all those connected with the management of the fund;
- Establish and maintain a robust framework and procedures for identification, analysis, assessment and management of risk;
- Ensure consistent application of risk management across the Fund;
- Comply with guidance, regulation and legislation:
 - CIPFA – Managing Risk in the LGPS (2018);
 - Pensions Act 2004;
 - The Public Service Pensions Act 2013 and LGPS Regulations 2013;
 - The Pensions Regulator's Code of Practice 14 (due to be replaced by the General Code of Practice).

Risk Management

Risk can be identified as 'the chance of something happening which may have an impact on the achievement of an organisation's objectives.' The objectives of the Fund are summarised in Appendix 1.

Risk Management is the process of identifying and assessing risks (the 'inherent risks') and responding to them.

The response to a risk may involve one or more of the following:

- Tolerating risk;
- Mitigating the risk in an appropriate way to constrain the risk to an acceptable level;
- Transferring the risk;
- Terminating the activity giving rise to the risk.

The purpose of risk management is to ensure that Oxfordshire Pension Fund is aware of and understands the risks involved in carrying out its activities and takes positive action to reduce and/or mitigate them where appropriate and possible.

Principles of the Risk Management Framework

- The informed acceptance of risk is an essential element of good business strategy;
- Risk management is an effective means to enhance and protect the Pension Fund over time;
- Common definition and understanding of risks is necessary in order to better manage those risks and to make more consistent and informed business decisions;
- All risks are to be identified, assessed, measured, monitored and reported on in accordance with the Administering Authority's risk management strategy;
- All business activities are to adhere to risk management practices which reflect effective and appropriate internal controls;
- Supports the achievement of Fund objectives - understanding potential risk outcomes can allow the Fund to reduce uncertainty which may affect the achievement of key objectives;
- Effective risk management provides the framework to identify and respond to risks and ultimately inform Fund decision-making.

Types of Risk

The risks for the Fund are grouped into five specific categories:

1. Investments – investment strategy, returns on investment, and custody of Fund assets;
2. Funding Risks – actuarial valuation and funding, cash flow and admitted body arrangements;
3. Governance – Committee and Fund governance, risk management, compliance, and so on;
4. Operational Risks - benefit payments, member communications, data quality, business and IT continuity, information security, fraud risk and contributions;
5. Emerging Risk – an evolving, new risk that is difficult to characterise or assess at this point in time, as the cause and / or how the risk will impact the organisation is unclear.

Risk Management Process

The risk management process is a continuous cycle as detailed below:



- 1. Risk Identification** – this is the process of recognising risks and opportunities that may impact on the Funds objectives. The process is both proactive and reactive. It involves horizon scanning for new or emerging risks and hazards; and learning from review of how past and current risks have manifested.
- 2. Risk Analysis** - Having identified potential risks, the next stage of the process is to analyse and profile each of them.

For this, the Oxfordshire Pension Fund uses a standard methodology and template. Each risk is scored from 1 to 5 for Impact and 1 to 4 for Likelihood. Then it is assigned a red, amber or green status based on a comparison with the target risk rating.

Impact		Financial	Reputation	Performance
5	Most severe	Over £100m	Ministerial intervention, Public inquiry, remembered for years	Achievement of Council priority
4	Major	Between £10m and £100m	Adverse national media interest or sustained local media interest	Council priority impaired or service priority not achieved

3	Moderate	Between £1m and £10m	One off local media interest	Impact contained within directorate or service priority impaired
2	Minor	Between £100k and £500k	A number of complaints but no media interest	Little impact on service priorities but operations disrupted
1	Insignificant	Under £100k	Minor complaints	Operational objectives not met, no impact on service priorities

Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)
2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

RAG Status/Direction of Travel

	Risk requires urgent attention
	Risks needs to be kept under regular review
	Risk does not require any attention in short term
↑	Overall Risk Rating Score is Increasing (Higher risk)
↔	Risk Rating Score is Stable
↓	Overall Risk Rating Score is Reducing (Improving Position)

The following information is also recorded for each risk:

Reference	Risk	Scheme
Risk Category	Cause	Impact

Risk Owner	Controls in place to mitigate risk.	Current risk rating
RAG Status and direction of travel	Further Actions Required	Date for completion of Action
Target Risk Rating	Date of Review	Comment

3. Risk Control – describes actions taken to reduce the likelihood and adverse consequences of a risk event occurring. Control and mitigation mechanisms will vary depending on the type of risk and the activity involved. Key mechanisms include:

- Governance and decision making structures;
- System procedures and controls;
- Resource allocation and management;
- Separation of duties;
- Actuarial/Audit/Regulatory Reviews.

4. Risk Monitoring – regular reviews of the risk register is a central component of effective risk management:

- Reviewed by the Pension Fund Committee and the Local Pension Board every quarter;
- Reviewed by Fund Officers and the Independent Investment Advisers every quarter;

The review would consider whether:

- The nature of the risk has changed;
- The control environment has changed;
- The probability of the risk occurring has changed;
- The impact of the risk occurring has changed;
- Any new or emerging risks need to be considered.

5. Reporting – documentation is required to ensure adequate monitoring as described above.

- Each quarter risks are assessed, reviewed and rated using a standard risk template (this is used to record updates from various stakeholders for each risk);
- A full risk register is produced at the end of each quarter.

Risk Appetite/Tolerance

Risk appetite is the amount and type of risk that the Fund is willing to accept, tolerate or avoid in order to achieve its strategic objectives.

Some risk is inevitable and unavoidable for the Pension Fund, particularly relating to LGPS investments.

Risk tolerance is the amount of risk that the Pension Fund is willing to and can feasibly cope with.

The fund will not accept risks which are assessed as having a high likelihood of causing substantial impact on its financial position or services and/or lead to widespread member or employer complaints. Any such risk identified will need to have a risk reduction plan implemented to return the risk to a tolerable level within an acceptable timescale.

These concepts are considered when the Officers update the ongoing risk register.

Roles & Responsibilities

Head of Fund/Governance & Communications Team:

- Maintenance of the risk register;
- Monitoring and reporting progress against identified action to manage/reduce risk;
- Risk scoring to facilitate analysis of risks across the Fund and 'Direction of Travel' for known risks;
- Identification of new /emerging risks via use of internal knowledge of the Fund as well as external sources;
- Engagement with the Pension Fund Committee and Local Pension Board to update/report on the status of existing of existing and new/emerging risks.

Pension Fund Committee:

- Risk management falls within the Pension Fund Committee's overall responsibility for management of the Fund;
- Receive updates / reporting for review every quarter;
- Review and monitor the effectiveness of controls in place for each risk, ensuring these remain appropriate;
- Use the risk reporting to inform decisions in respect of actions required to manage/mitigate risk.

Local Pension Board:

- Review of the Oxfordshire Pension Fund Risk Register as it relates to the Scheme Manager function of the Authority;
- Review the Pension Fund Committee's formal periodic assessment of Fund risks, providing support and challenge to the assessment;

- Evaluate and challenge the way in which the Head of Fund/Governance & Communications Team and the Pension Fund Committee carry out their risk management roles;
- Review the Pension Fund Committee's periodic assessment of risk reporting and the appropriateness of decisions made in respect of risk management and mitigation;
- Review and challenge the Pension Fund Committee's controls in place, ensuring the Committee implements risk mitigation plans where appropriate.

Internal Audit and Information Governance Team

- Provide expert guidance on risk management as required;
- Carry out periodic audits of the Fund's risk management process.

Appendix 1: Fund objectives

Within each group below, strategic objectives have been identified. These are summarised below and full details of objectives are provided in other Fund documentation.

Governance - to ensure that the Pension Fund is effectively managed to the relevant regulatory requirements, and its services are delivered by highly motivated people who have the appropriate knowledge and expertise, and with access to appropriate systems.

Funding - Funding is the process of ensuring that the Fund has sufficient assets to provide benefits as they fall due – encompassing (amongst other things) setting contributions at an appropriate level, monitoring the progression of liabilities and managing changes in their value, and managing employer risk.

Operational - to deliver a high quality, cost-effective, user-friendly and informative service to all members, potential members and employers at the point where it is needed and demonstrate compliance with all relevant regulatory requirements. Also to provide good quality pension information, promoting pensions in the workplace and to actively promote the Fund to prospective members and their employers.

Investment - to ensure that all investments are aligned to the strategic direction set in the Investment Strategy Statement, meeting the fund's agreed responsible investments requirements, and its fiduciary duty.

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PENSION FUND COMMITTEE – 01 DECEMBER 2023

ADMINISTRATION REPORT

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

The Committee is RECOMMENDED to:

- a) Note the progress against the Administration objectives for the year;
- b) Decide what, if any, additional information they require to be included in this report; and
- c) Agree the write off of the 5 historic debts in Section 1 of Annex 4 totalling £14,747.35; and
- d) Note the write off of the historic debts included in Section 2 of Annex 4 totalling £3,803.44, and the current debts of £43.66 written off as agreed under the Scheme of Delegation.

Executive Summary

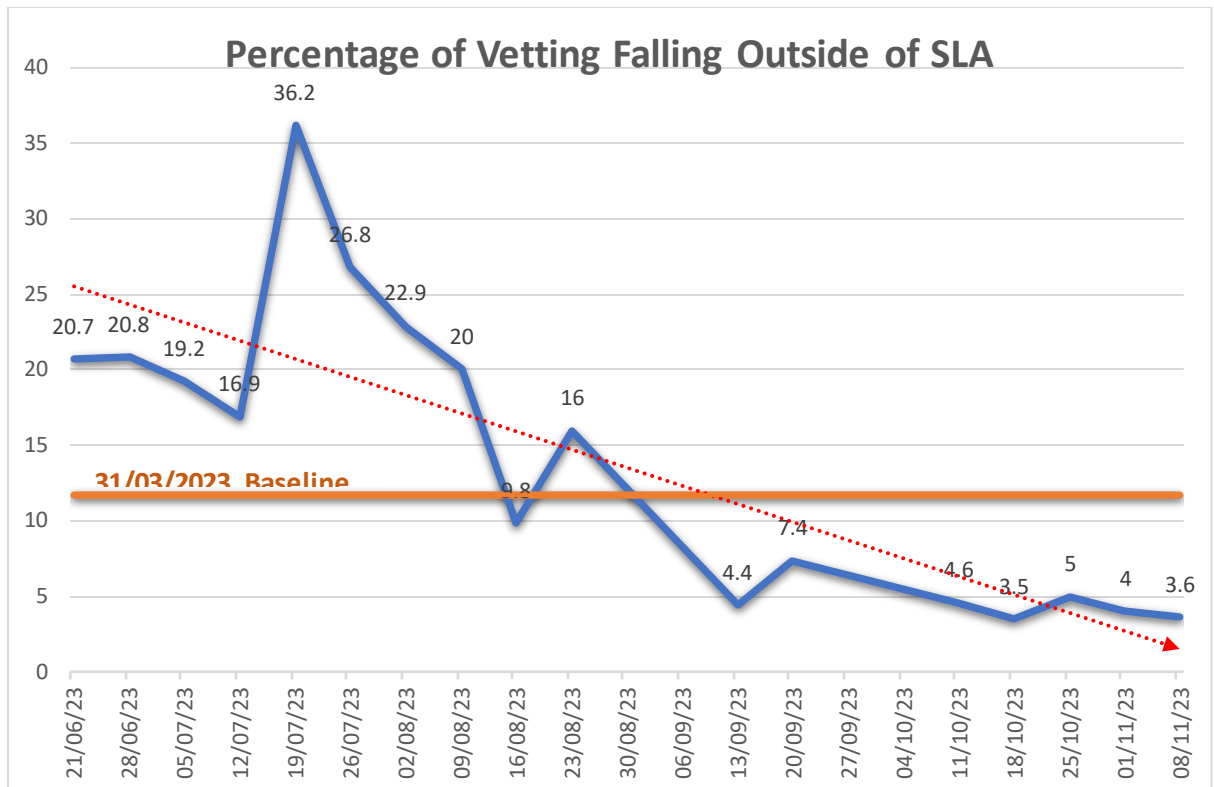
- 1. This report updates the Committee on the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

Staffing

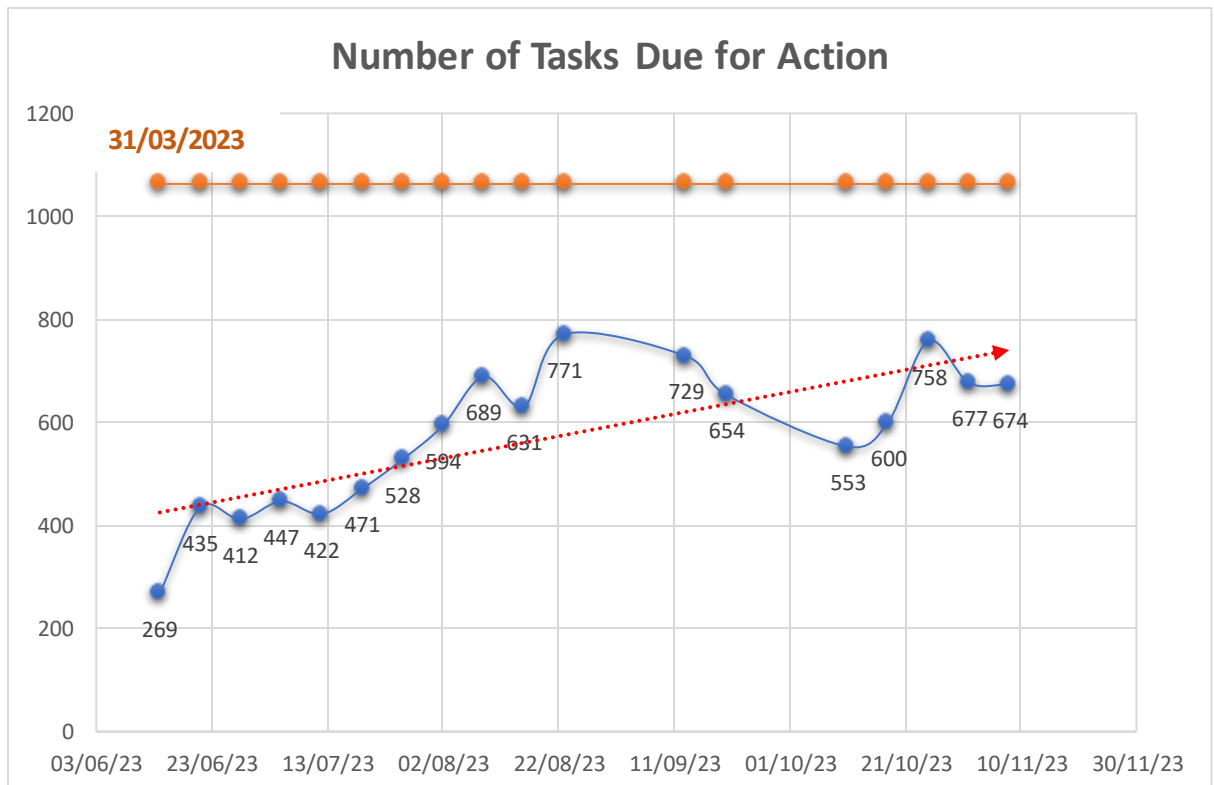
- 2. Three team members will be retiring in the quarter ending March 2024. This along with a vacancy created by a promotion move within the team means that recruitment is an ongoing issue, and it is planned that advertisements will be going out in early 2024.
- 3. Continuing, unresolved, staff performance issues however are still putting additional pressure on the whole team.

Performance Statistics

- 4. This Committee has asked for information to be presented using graphs rather than charts. This is still under development in some areas of the team.
- 5. There are no specific issues with scheme employer data returns, which is reflected in the vetting and processing of the incoming data as shown below. As at March 2023 11.7% of incoming returns were not vetted within SLA. As of November 2023, this has reduced to 3.6%.



6. Likewise, the number of tasks arising from the incoming data, which is still being analysed to determine the normal monthly levels, will in time give more detail on the number of tasks within the team. At present the chart is showing tasks which are still outstanding and overall, the number has reduced from 1,063 in March 2023 to 674 in November, as shown below:



7. Employer admissions are very quiet at present. However, there are several schools converting to academy status in the coming months.

Administration Statistics

8. Annex 1 give the details of the work subject completion against both SLA and statutory targets. During the period August to October the completion rate has increase by just over 100 cases, which is reflected in the overall completion rate, within SLA, sitting at 86.75% in October 2023.
9. Overall, the amount of incoming work has increased during this period by over 700 cases, which is in the main due to leaver records needing to be processed. This area of work – leavers, re-employments, and concurrent merges - continues to be the area of highest volume and the one furthest out of specification. Transfers in and out being the next area furthest out of specification.

Suspended Pensions

10. As of October 2023, a total of 412 pensions are suspended. Of these 208 cases are linked to the project closing old death cases, which leaves 204 cases where the fund is either waiting for confirmation of death notification, or tracing pensioners who have not informed the fund of a change of address.

Statutory Returns

11. All returns have been made in deadline, there are no issues to report.

Fire Service Administration

12. During the last quarter to 31 October 2023, 101 cases have been completed, of which 81 were within SLA deadline. The areas where work was not completed within SLA relates to 1 death case, 1 retirement quotation, 5 transfers out, 12 leavers and 1 member query. This leaves the team with 29 open cases. Detail shown at annex 2.

Complaints

13. In the year to November there have been ten informal complaints received, although one is duplicated via OCC complaint process.
14. The formal complaints received are detailed below:

Reference	Complaint	Stage 1 Decision	Stage 2 Decision	tPO
23/001	Transfer / refund	Not Upheld	Upheld	
23/002	Transfer	Not Upheld	Not upheld	
23/003	3 months' notice to take pension	Not Upheld		
23/004	Linking of records	Not Upheld	Not Upheld	
23/005	Ill-health retirement	Not Upheld		
23/006	Ill-health retirement	Not Upheld	Not Upheld	
23/007	Ill-health retirement	Not Upheld	Not Upheld	
23/008	Firefighter – Injury Pension Benefits	Not Upheld	In Progress	
23/009	Decision not to approve flexible retirement request	Not Upheld	In Progress	
23/010	Pension transfer request refused	In Progress		

Data Quality

15. The Pension Regulator has issued the annual return with a deadline for completion in January 2024 (this is normally in November). The data quality results are on a par with last year but the team are continuing to clear down any report fails ahead of the January deadline.

Contribution monitoring

16. The process is now being embedded and communications sent to scheme employers to remind them of the need to make payments on, or before the 19th of the month following payroll. This is being monitored by the team in line with the new process.
17. In the period August 2023 – October 2023 18 payments were made past deadline of 19th month following payroll. Of these two employers made late payment on more than one occasion. In all cases follow up with the scheme employer resulted in payments being made to the Fund.

Projects

18. The work identified as project work is detailed below.
19. Work has started on reviewing the death process which will include the review of the historic death cases where there is outstanding information which is needed to enable files to be finalised. Target date for completion was initially 31 May 2023, revised to October 2023 to tie in with the review of the death process. Continuing staffing issues and the need for further testing of the death review process has now pushed this to early 2024.
20. AVC – Following the review, the changeover to the new provider starts in November 2023 with first payments being received by L&G in December 2023.
21. Administration to Pay (A2P) – a revised project plan has been set out which will initially review the work already done on transfer out; interfund out and refunds. Existing workflow processes will then be amended so that the new process can be implemented. Again this has been pushed out to early 2024 for same reasons as above.
22. This leaves three subjects - retirements, deaths, and recalculations – to be reviewed and new workflow processes implemented. Work has started on death process which will be completed by early 2024. Other dates have yet to be finalised.
23. McCloud – a copy of the project plan is shown at annex 3. The data cleansing exercise is well under way with information being sent out to scheme employers, who have until 31 January 2024 to confirm that the correct data is held and there are no changes to this.
24. The fund is still waiting for the LGA guidance of the priority list setting out the order in which cases should be reviewed.

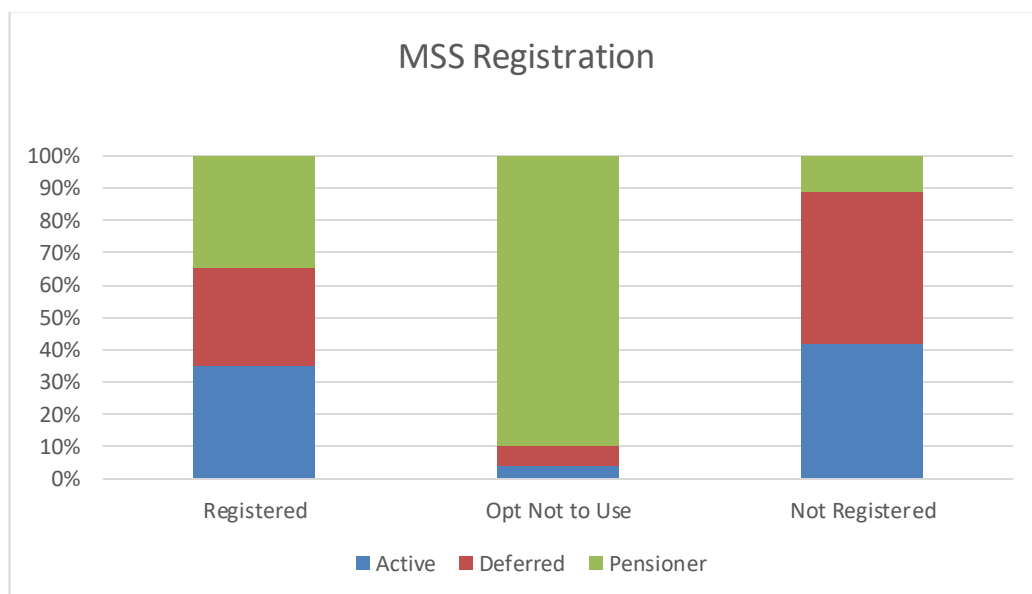
Debt Management

25. The information at annex 4 details the latest position with both historic and current invoices which have been issued.
26. Section 1 details 5 invoices with a total amount of £14,747.35 which are statute barred from recovery. The most significant amount here relates to a deceased pensioner where the fund was unable to recover the monies due.
27. Section 2 details 31 invoices amounting to £3,803.44 where charges have been made in line with the administration strategy but not paid.
28. In both above sections the advice from the Debt Recovery team is that these amounts cannot be recovered and so should be written off. Under the Scheme of Delegation Officers have agreed the write off of the smaller debts included in Section 2 and the Committee are recommended to write off the larger debts included in Section 1.

29. Section 3 details 29 invoices with a total value of £47,116.66 which are in the process of being followed up for payment.
30. Section 4 relates to costs, amounting to £21,556.91, arising from a scheme employer going into liquidation. The admission agreement was a pass through arrangement therefore our actuaries has confirmed that these costs will fall back on the scheme employer as part of the valuation process.
31. Section 5 again relates to an over payment to a deceased pensioner. The arrangement of this being repaid by instalments has fallen into arrears and the Fund is currently trying to trace the relative making these payments.
32. During the quarter to date a total of £43.66 has been written off in 4 cases where the member has died.

Member Self - Service

33. The table below shows the latest information on members signing up to use member self-service.



Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Sally Fox - Pension Services Manager - Tel: 01865 323854

Email: sally.fox@oxfordshire.gov.uk

November 2023

Subject	SLA Target	October 2023								Notes
		Total Number Completed	Total Completed Within SLA Target	% Achieved in SLA Target	Up / Down / Same against previous month	% Achieved in Legal deadline	Total open cases	Total open cases in reply due	% in SLA Target	
Deaths	95%	104	97	93.27	Up	100.00	339	278	19%	155 are historical cases 113 payments completed 97.35% in SLA. Open cases include 54 cases referred to target tracing address and 30 cases due after 1 December 2023
Retirements	95%	353	322	91.22	Up	100.00	268	225	45%	
Annual Allowance	90%	20	20	100.00	Same		6	4	17%	
Trivial Commutation	95%	7	7	100.00	Same		5	0	100%	
Divorce	95%	15	14	93.33	Down	100.00	14	11	14%	
Interfund In	90%	119	101	84.87	Down		121	90	38%	
Transfer In	90%	28	20	71.43	Down	100.00	41	13	68%	
Interfund Out	95%	81	65	80.25	Down		61	27	64%	
Transfer out	95%	57	48	84.21	Down	100.00	24	8	54%	
Additional Pension Concs	90%	23	21	91.30	Down		17	5	65%	
Member Estimate	90%	14	12	85.71	Down	100.00	12	3	75%	
HR Estimate	90%	9	7	77.78	Down		8	2	50%	
Refunds	95%	134	123	91.79	Down		24	6	71%	
Leavers	90%	366	279	76.23	Up	76.23	1422	88	78%	
Concurrent Merges	90%	45	34	75.56	Down		68	12	53%	
Re-employments	90%	88	69	78.41	Up		389	15	84%	Includes 62 cases assigned to employer team
Member Enquiries	90%	429	395	92.07	Up		222	6	90%	
Member Updates	90%	62	61	98.39	Down		73	67	22%	
Informal Complaints	90%	1	1	100.00			2	0	100%	
Totals / Average		1,955	1,696	86.75		96.17	3116	860	58%	

NB Cases measured in %SLA include pending cases.

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Monthly SLA Statistics		Jul-23					Aug-23					Sep-23			
Subject	SLA Target	Total Number Completed	Number achieved in Target	Number over Target	% Achieved in SLA deadline	Open cases	Total Number Completed	Number achieved in Target	Number over Target	% Achieved in SLA deadline	Open cases	Total Number Completed	Number achieved in spec deadline	Percentage in spec	Open cases
Deaths	95%	2	2	0	100.00%	2				100.00%	5	1	0	0.00%	5
Retirement Quote	95%	3	3	0	100.00%	1				100.00%	2			100.00%	3
Retirement Actual	95%	3	3	0	100.00%	1				100.00%	1	1	1	100.00%	1
Divorce	95%				100.00%	4				100.00%	4			100.00%	4
After retirement adjustments	90%	2	2	0	100.00%	1				100.00%	2	1	1	100.00%	2
Payroll Input	95%	13	13	0	100.00%		6	6	0	100.00%	0	2	2	100.00%	
Transfer In	90%				100.00%	3				100.00%	3			100.00%	4
Transfer out	95%	1	1	0	100.00%	8	2	2	0	100.00%	8	1	0	0.00%	8
Member Estimate	95%				100.00%					100.00%	0			100.00%	
Additional Confs	95%	7	7	0	100.00%	1				100.00%	0			100.00%	
HR Estimate	90%				100.00%					100.00%	0			100.00%	
Refunds	90%				100.00%					100.00%	0			100.00%	
Re-employments	95%	4	4	0	100.00%	1				100.00%	1			100.00%	2
Leavers	95%	18	18	0	100.00%	12	3	3	0	100.00%	17	11	5	45.45%	12
Member Queries	90%	4	4	0	100.00%	4	6	6	0	100.00%	10	5	5	100.00%	7
Pension Saving Statement / AA	95%				100.00%					100.00%	0			100.00%	
Remedy	62 working days				100.00%	5				100.00%	3			100.00%	3
IDRP					100.00%	1	2	2	0	100.00%	1			100.00%	1
Member changes	90%				100.00%					100.00%	1			100.00%	
Totals / Average Overall		57	57	0	100.00%	44	19	19	0	91.41%	58	22	14	63.63%	52

* Frozen, Deferred, Concurrent

** Elect to Separate, Re-emp quote, Re-emp Actual,

*** Address, Name, Nomination, IFA Requests

SLA not met

Standard SLA met

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Project Start:

01/09/2023

Display Week:

1

TASK	ASSIGNED TO	RAG status	PROGRESS	START	DURATION (Weeks)	END
Workstream A - Bulk Data Cleanse						
Employer Contacts	Steph	A	88%	01/09/2023	8	31/10/23
Identify 'In-Scope' records for each employer	Rach and Bec	G	100%	18/09/2023	3	05/10/23
Draft email and spreadsheets to be used for data cleanse	Bec	G	100%	02/10/2023	1	05/10/23
Provide training to Steph and Ken for data cleanse exercise	Bec	G	100%	05/10/2023	1	05/10/23
Return 'In-Scope' Data to Employers for Confirmation	Steph and Ken	G	100%	05/10/2023	8	30/11/23
Employers Return Confirmed Data	Employers	A	5%	05/10/2023	17	31/01/24
Workstream B - Individual Urgent Cases						
Confirm process for urgent calculations	All Managers	G	100%	05/10/2023	1	19/10/23
Workstream C - Bulk data Rectification						
OCC data loaded to Altair records - Age 55+	Benefit Team Seniors	A	7%	16/10/2023		31/01/24
OCC data loaded to Altair records - Age below 55	Benefit Team Seniors	A	1%	16/10/2023		31/01/24
Non-OCC - confirmed data uploaded to Altair (no aggs)	Steph and Ken	A	1%	01/11/2023		31/12/24
Non-OCC - confirmed data uploaded to Altair (with aggs)						31/12/24
Altair 23.4 release - Awaiting dates	Rach					
Bulk calc - Create McCloud CARE tranche	Rach					00/01/00
Bulk calc - Create McCloud Rectification Data View	Rach					00/01/00
Bulk calc - Underpin	Rach					00/01/00
Workstream D - Benefit Team Day-to-Day Administration						
Clear erroneous McCloud dataviews (30,000)	Rach	G	100%	07/10/2023	1	14/10/23
Altair 23.4 release - Awaiting dates	Rach					
Run bulk CARE tranche and McCloud dataview creation on status 4 records (3886)	Rach			14/10/2023	1	21/10/23
Resolve errors from bulk CARE tranche creation (154)						00/01/00
Run bulk PROVISIONAL Underpin calculation on status 4 records	Rach			14/10/2023	1	21/10/23
Resolve errors from PROVISIONAL underpin creation						00/01/00
Run bulk ACTUAL McCloud Rectification Dataview Creation on status 4 records	Rach					00/01/00
Resolve errors from ACTUAL bulk dataview creation						00/01/00
Club Transfers and IFAs for In-Scope members to suspend until further guidance from GAD	Vic and Xaviah					00/01/00
						00/01/00
Workstream E - Communications						
Satisfy Disclosure regs	Becky O			01/11/2023	8	31/12/23
Amendments to Standard Letters	Becky O					
Employer Comms - Collect age 65 Final Pay via i-Connect	Jules and Becky O					00/01/00
Attend Weekly McCloud drop-in sessions with Heywood	Bec and Rach	G		04/10/2023		04/10/23
						00/01/00
						00/01/00

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	Account	SG	LC amnt	Recommendation	Reason	Notes
Section 1	1144743	Scheme Employer	870.00	write off	statute barred	JR to write off - report to Dec PFC
	1155693	Scheme Member	1,143.42	write off	statute barred	JR to write off - report to Dec PFC
	1155619	Scheme Employer	1,800.00		statute barred	JR to write off - report to Dec PFC
	1170139	Scheme Member	10,687.94	write off	statute barred	Referred to Legal in 2016 - no other information
	1191008	Scheme Employer	245.99	Statute barred but investigate / follow up		14,747.35 Write off - report to Dec PFC
Section 2	1145319	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1187396	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1243688	Scheme Employer	150.00	write off if no recovery action within 2022-23	age / low value	
	1196679	Scheme Employer	150.00	write off if no recovery action within 2022-23	age / low value	
	1209934	Scheme Employer	150.00	write off if no recovery action within 2022-23	age / low value	
	1242516	Scheme Employer	150.00	write off if no recovery action within 2022-23	age / low value	
	1186521	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1186521	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1186521	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1198322	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1198322	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1198322	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1210389	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1210389	Scheme Employer	150.00	write off if no recovery action within 2022-23	age / low value	
	1241778	Scheme Employer	75.00	write off if no recovery action within 2022-23	age / low value	
	1241778	Scheme Employer	150.00	write off if no recovery action within 2022-23	age / low value	

Section 3	1155619	Scheme Employer	150.00 write off if no recovery action within 2022-23	other £1800 stat barred	
	1155619	Scheme Employer	150.00 write off if no recovery action within 2022-23	other £1800 stat barred	
	1275371	Company	428.44 write off if no recovery action within 2022-23		
	1209979	Scheme Employer	150.00 write off if no recovery action within 2022-23	age / low value	
	1209979	Scheme Employer	150.00 write off if no recovery action within 2022-23	age / low value	
	1209979	Scheme Employer	150.00 write off if no recovery action within 2022-23	age / low value	
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	75.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	-150.00 write off if no recovery action within 2022-23		
	1145363	Scheme Employer	150.00 write off if no recovery action within 2022-23		3,803.44
	1186559	Scheme Employer	75.00 chase		To be followed up
	1146390	Scheme Employer	75.00 chase		To be followed up
	1317622	Scheme Employer	75.00 chase		To be followed up
	1317622	Scheme Employer	75.00 chase when overdue		To be followed up
	1146536	Scheme Employer	75.00 chase		To be followed up
	1210244	Scheme Employer	75.00 chase		To be followed up
	1210244	Scheme Employer	75.00 chase		To be followed up
	1148964	Scheme Employer	150.00 chase		To be followed up
	1146250	Scheme Employer	75.00 chase		To be followed up

Section 4	1146250	Scheme Employer	75.00 chase	To be followed up
	1146250	Scheme Employer	75.00 chase	To be followed up
	1146250	Scheme Employer	75.00 chase	To be followed up
	1254298	Scheme Employer	150.00 chase	To be followed up
	1254298	Scheme Employer	75.00 chase	To be followed up
	1254298	Scheme Employer	75.00 chase	To be followed up
	1254298	Scheme Employer	75.00 chase	To be followed up
	1209150	Scheme Employer	150.00 chase	To be followed up
	1209150	Scheme Employer	150.00 chase	To be followed up
	1209150	Scheme Employer	150.00 chase	To be followed up
	1209150	Scheme Employer	75.00 chase	To be followed up
	1274831	Scheme Employer	300.00 chase	To be followed up
	1274831	Scheme Employer	300.00 chase	To be followed up
	1274831	Scheme Employer	75.00 chase	To be followed up
	1144733	Scheme Employer	1,310.86 chase	To be followed up
	1144653	Scheme Employer	1,414.75 chase	To be followed up
	1144653	Scheme Employer	256.20 chase	To be followed up
	1247666	Scheme Employer	3,111.40 chase	To be followed up
	1327653	Scheme Member	18,000.00 chase	Member has repaid £13,000 and will repay remaining £5,000 by end of year.
	1145008	Scheme Employer	20,473.45 chase	47,116.66 To be followed up
Section 5	1145703	Scheme Employer	9,731.09 WO unless responsibility passed to another org	21556.91 GL has consulted with Actuaries - debt will fall back to OCC through valuation. Invoices to be cancelled.
	1145703	Scheme Employer	11,825.82 WO unless responsibility passed to another org	
	1166161	Scheme Member	21,074.03 chase - need to find out debtor status first	20634.03 Trace on person repaying debt as payment of instalments stopped.
	1166161	Scheme Member	-440.00	
			107,858.39	107858.39

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Division(s): n/a

LOCAL PENSION BOARD – 26 JANUARY 2024

GENERAL CODE OF PRACTICE: INITIAL COMPLIANCE ASSESSMENT

Report by the Director of Finance

RECOMMENDATION

1. **The Board is RECOMMENDED to note and comment on the General Code of Practice initial compliance assessment carried out by the Governance and Communications Team of the fund.**

Introduction

2. The Pensions Regulator published a draft General Code of Practice document in March 2021 which will replace the existing 15 codes of practice. The reasons behind implementing the single General Code of Practice was the ability to clarify, modernise and simplify the disparate sets of codes of practice.
3. The Local Government Pension Scheme (LGPS) currently assesses compliance against the Code of Practice 14 (CoP14) which will be superseded by the General Code of Practice, when the final document is published later this year.
4. The new draft code consists of 51 modules which relate to 5 main areas:
 - a) Governing Body – 18 modules
 - b) Funding and Investments – 8 modules
 - c) Administration – 10 modules
 - d) Communications and Disclosure – 11 modules
 - e) Reporting to TPR – 4 modules
5. Only 38 of the 51 modules apply to the LGPS. 17 of the modules were already part of the Code of Practice 14. 21 modules are new to LGPS. The number of modules assessed as part of the review are as follows:
 - a) Governing Body – 15 modules
 - b) Funding and Investments – 2 modules
 - c) Administration – 10 modules
 - d) Communications and Disclosure – 7 modules
 - e) Reporting to TPR – 4 modules
6. A high-level review of each relevant module was undertaken. **APPENDIX 1** shows the full results of this review. Fund officers assessed Oxfordshire Pension Fund's compliance for each module and applied a Red/Amber/Green rating. Green shows the fund is fully compliant with the requirements in the relevant module; amber indicates the fund is compliant with over 75% of the

requirements in the module; red indicates the fund is compliant with less than 75% of the requirements.

Key Findings

7. The Governing Body

- 9 of the 15 modules in this area were rated green.
- Some work is required in this area around policies for record-keeping (a requirement within TGB017) and work is already underway to improve the rating for the module on contract monitoring (TGB010).
- The best practice modules 'Remuneration Policy' (TGB016) and 'Continuity Planning' (TGB022) were also rated amber. Oxfordshire County Council requires all services to have a business continuity plan. The current continuity plan for Pension Services requires updating following the most recent round of recruitment in the team.

8. Administration

- 1 of the 10 modules in the Administration area were rated green (Transfers – ADM014).
- There are 2 modules covering data quality for scheme records and data monitoring (ADM003 and ADM006). TPR requires funds to aim for a 100% data quality score. While fund officers have processes in place to continuously improve OPF's data quality score, we do not meet the 100% target.
- All other amber-rated modules require improvements or refinements to administration processes and policies which are being reviewed by the Pensions Services team.

9. Communications and Disclosures

- 4 of the 7 modules in this area require work to ensure full compliance.
- 2 modules require further process reviews ('General principles for member communications' - CAD001 and 'Short-service refunds' - CAD016) to comply.
- Most of the requirements for the module 'Publishing information' (CAD010) are already in place. However, improvements to the Oxfordshire Pension Fund webpages are a priority which is being put forward for the 2024/25 Business Plan, to ensure compliance.
- Finally, the 'Audit Requirements' (CAD014) module would have been rated green - but delays to audits nationally mean there are delays to our own accounts being signed-off.

10. In conclusion, this initial compliance assessment has served as an excellent precursor to understand the work required when the final General Code of Practice is released by the Pensions Regulator later in the year. More detailed analysis of each of the modules will be required, however this initial review sets out the current position and serves as a good foundation for further work on compliance.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Contact Officer: Mukhtar Master
Tel: 07732 826419

January 2024

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Oxfordshire Pension Fund
Initial Compliance Assessment for TPR's General Code of Practice

	Less than 75% compliant with requirements
	More than 75% compliant with requirements
	100% compliant

The Governing Body

Module Number	Module Description	Number of Requirements	Oxfordshire Pension Fund Self-assessed R/A/G Rating
<u>Board structure and activities</u>			
TGB001	Role of the governing body – How the Fund is managed and the structure	8 requirements	
TGB014	Recruiting to the governing body – Appointing members to a governing body	13 requirements	
TGB015	Role of the chair – Defined responsibilities of the chair	11 requirements	
TGB006	Meetings and decision-making – recording details of all meetings and decisions made	21 requirements	
TGB016	Remuneration policy – Remuneration for those undertaking fund related activities	9 requirements (best practice only)	
<u>Knowledge and understanding</u>			
TGB017	Working knowledge of pensions – Governing bodies ability to demonstrate a level of understanding to fulfil their duties	62 requirements	
TGB003	Building and maintaining knowledge – Governing body to be able to demonstrate a level of knowledge and experience to run the scheme effectively	7 requirements	
<u>Value for scheme members</u>			
TGB009	Value for members – Assessment if DC product represents good value for members	18 requirements	
<u>Advisers and service providers</u>			
TGB010	Managing advisers and service providers – Demonstrate that governing bodies can effectively manage relationships	28 requirements	

The Governing Body, cont...

<u>Risk management</u>			
TGB031	Identifying and assessing risks – Establish and operate internal controls which are adequate for the purpose of securing that the scheme is managed in accordance to scheme rules	34 requirements	
TGB032	Managing risk using internal controls - Establish and operate internal controls which are adequate for the purpose of securing that the scheme is managed in accordance to scheme rules	19 requirements	
TGB033	Assurance of governance and internal controls – Obtain assurance reports internal controls	14 requirements	
TGB022	Continuity planning – develop, implement and maintain continuity plans so operations can be maintained in the event of disruption.	13 requirements (best practice only)	
TGB039	Conflicts of interest – Managing conflicts of interests for public service pensions schemes.	22 requirements	
<u>Scheme governance</u>			
TGB046	Scheme governance - Oversight and assurance of day to day operations of the scheme	46 requirements	

Funding and Investment

Module Number	Module Description	Number of Requirements	Oxfordshire Pension Fund Self-assessed R/A/G Rating
<u>Investment</u>			
FAI001	Investment governance – Policies and procedures that ensure the governing body complies with any obligations it has in relation to investment	29 requirements (best practice only)	
FAI005	Investment monitoring – Managing investments with due skill, care and diligence.	16 requirements (best practice only)	

Administration

Module Number	Module Description	Number of Requirements	Oxfordshire Pension Fund Self-assessed R/A/G Rating
<u>Scheme administration</u>			
ADM001	Administration	15 requirements	
<u>Information handling</u>			
ADM002	Financial transactions – Core financial transactions as defined in legislation are processed promptly and accurately	12 requirements	
ADM014	Transfers – Ensuring appropriate checks are in place for transferring benefits to another pension scheme	23 requirements	
ADM003	Scheme records – Maintain complete and accurate records	26 requirements	
ADM006	Data monitoring – maintaining complete and accurate records	16 requirements	
<u>IT</u>			
ADM015	Maintenance of IT systems – IT systems to be reviewed and maintained regularly	7 requirements	
ADM016	Cyber controls – controls for the loss, disruption or data to a scheme or its members as a result failure in its IT systems and processes.	15 requirements	
<u>Contributions</u>			
ADM007	Receiving contributions	20 requirements	
ADM008	Monitoring contributions – reconciliation of pension contributions	14 requirements	
ADM011	Resolving overdue contributions – process for chasing payments once they become overdue	13 requirements	

Communications and Disclosure

Module Number	Module Description	Number of Requirements	Oxfordshire Pension Fund Self-assessed R/A/G Rating
<u>Information to members</u>			
CAD001	General principles for member communications – expectations of how to meet the legal obligations	11 requirements	
CAD012	Statutory financial statements (PSPS) – Providing annual benefit statements to members	8 requirements	
CAD016	Short service refunds/refunds of contributions – Appropriate options to provide to members following leaving the scheme after a short period of service.	7 requirements	
CAD005	Scams – Ensuring appropriate checks are undertaken to mitigate the risk of scams.	5 requirements	
<u>Public information</u>			
CAD010	Publishing information about public service pension schemes – Publishing details of the Pension Board	12 requirements	
CAD014	Audit requirements – an opinion from an independent Auditor of the Scheme on the audited accounts and statement on payment of contributions to the scheme	9 requirements	
CAD015	Dispute resolution procedures – Formal procedure and processes to investigate and decide upon pension scheme disputes.	26 requirements	

Reporting to TPR

Module Number	Module Description	Number of Requirements	Oxfordshire Pension Fund Self-assessed R/A/G Rating
<u>Regular reports</u>			
RTT001	Registrable information and scheme returns – Information about the fund to be published to the TPR.	6 requirements	
<u>Whistleblowing - Reporting breaches of the law</u>			
RTT003	Who must report – Who is required to report Breaches of law to the TPR	17 requirements	
RTT044	Decision to report – Making a judgement on the decision to report a breach of law to TPR	9 requirements	
RTT005	How to report – Process for reporting breaches to the TPR	21 requirements	

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