

PENSION FUND COMMITTEE

6 June 2025

REVIEW OF THE ANNUAL BUSINESS PLAN 2025/26

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. The Committee is RECOMMENDED to:

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

Introduction

2. The report reviews the progress against the key service priorities set in the business plan for the Pension Fund for 2025/26 as agreed by this Committee in March 2025.
3. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2025/26 remain consistent with those agreed for previous years, with one slight update to reflect the Fund's improved funding position.
4. The overall objectives 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 maintain a funding level above 100%
 - 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
5. The service priorities for the year do not typically 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, the Governance and Communications Report and the report on Investment Performance.

Key Service Priorities – Review of 2025/26

6. There were 4 key service priorities included in the 2025/26 plan each with a number of key measures of success. The 4 key service priorities were:
 - Deliver further improvements to the governance arrangements of the Fund

- Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes.
- Develop further the Fund's Investment and Funding service.
- Deliver service enhancements and cost reductions through increased use of technology.

7. The latest position on each is set out in the paragraphs below. The assessment criteria 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
- Red – insufficient progress or insufficient actions identified to deliver measures of success

6. Deliver further improvements to the governance arrangements of the Fund. The position against the 5 agreed actions are set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Continue to develop and implement the Workforce Strategy AMBER	Complete the review of staffing needs Complete the identification of gaps in resource and skills Career pathways defined to support retention (to be completed in line with other OCC service areas during 2025) LGPS Academy rolled out across the team	Workforce Strategy in place Gaps in resource identified, 2 additional posts approved Working with OCC on job architecture to align with Council roles	Develop revised role profiles in line with OCC Advertise for new roles LGPS Academy rolled out across the team
Continue to work on General Code compliance and provide external scrutiny/review. GREEN	Review of GCOP compliance completed by officers end of March 2025 Independent review completed by end of summer 2025 Reviews demonstrate Fund is meeting Regulatory Requirements and TPR expectations	On track - Review of GCOP compliance completed Deeper review has commenced of additional modules Planning for independent review has been completed and timetable agreed	Next steps to complete phase one of independent review and continue deeper review on additional modules
Monitor, review and implement	Governance review complete and plan in place	Awaiting response from Government	N/A

Good Governance Review outcomes once known GREEN	to implement recommended changes (dates to be confirmed once Government confirms outcomes)	on the fit for the future consultation which included the Good Governance Review	
National Knowledge Assessment (NKA) and Knowledge and Understanding GREEN	All Committee and Board members complete TPR Toolkit Maintain NKA score from previous year All Committee and Board members enrolled on LOLA and complete 50% of modules	New Committee Members have attended induction training or are in the process of attending/watching training and will start working towards completing the required modules	Completion of TPR toolkit Enrol and commence working through LOLA
Local Government Reform - tracking and responding to potential risks and resource implications GREEN	Respond effectively to Government consultations Keep Committee and Board regularly consulted and updated Identify stakeholders impacted and track any associated risks through risk register	Ongoing monitoring as reforms develop	N/A

7. The 4 actions under this objective have all been rated green, largely due to waiting on external factors such as Government responses and that the National Knowledge Assessment takes place in the autumn. We continue to work closely with the County Council and other employers within the Fund on Local Government Reform to monitor the development and map out the impact on the Fund.
8. The General Code has been rated as green to reflect the progress made in both reviewing the modules and commencing the independent review to scrutinise the Fund progress made so far.
9. The Workforce Strategy has been rated as amber to reflect that some progress has been made, however this has slowed due to the recent Government announcement regarding pooling reform which has taken a significant amount of officer time.
10. Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes. There were also 6 specific actions set out in the 2025/26 Business Plan in respect of this priority. The progress against these is set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Implement McCloud (data and IT requirements) AMBER	Process in place to confirm calculations carried out correctly and within SLA timeframes Issue all Annual Benefit Statements containing McCloud information with Plain English explanation by 31 August 2025	Significant progress made since last Committee meeting in March 2025, more information is included in the Administration Report later in the agenda for this meeting On track to meet statutory deadline, if progress continues this will change to a green rating	Work continues towards the 31 August Annual Benefit Statement deadline
Monitor and improve Common Data scores GREEN	Maintain data score at 95% Aim to exceed 95% and increase to 98%	Continued focus on data quality with employers and internal Fund processes Common Data review due later this year	N/A
Employer Engagement/Client Relationship (including escalation process/fines) GREEN	Contributions reconciled monthly Member data reconciled monthly Late data and/or contributions pursued within 1 week - large employers, smaller employers within 2 weeks Employer survey introduced Develop Employer Services team	Focus moving to employer engagement and relationship management to maintain progress Employer Services Manager role approved to drive service forward Review of employer policies has commenced.	Advertise Employer Services Manager role Introduce employer survey Draft user guide to improve employer knowledge and understanding of responsibilities

	Improve employer knowledge and understanding of responsibilities through provision of a user guide Review and update of all Fund provided employer policies/processes and procedures completed		
Customer Satisfaction - (Compliments/complaints/feedback) [Employer and Member] GREEN	Improve scores from member surveys Reduce number of upheld complaints from members Improve scores from employer surveys	Monitoring of scores on member survey and collation of data underway	Build into reports to Committee Develop employer survey
Day to Day delivery of BAU activities GREEN	Administration SLAs – ▪ Call to helpdesk answered within 40 seconds ▪ Deaths processed in 10 days Reported KPI's all above 80%	Progress is being made, see Administration Report later in this meeting	N/A
Implement Government tax changes. GREEN	Full process map developed, reviewed and implemented	On track, awaiting Government implementation	N/A

11. Out of 6 key actions, 5 are rated as green, this is largely due to awaiting guidance from government and progress being made against each objective where possible.

12. We have continued to rate the McCloud action as amber; this is due to whilst significant progress has been made since Committee in March 2025, see the

Administration Report later in the meeting. However, given the challenging timescales and resource constraints with the administration team, we have kept this as amber, if progress continues as expected, this will change to green for the update to Committee in September.

13. Develop further the Fund's Investment and Funding service: There were 6 actions set for this service priority within the Business Plan, and progress against these measures is set out below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Deliver the 2025 Valuation GREEN	Data provided to Actuary by requested date Less than 5% data quality queried by Actuary (actual % will be reported to Committee/Board) Maintain stability of costs i.e. employer contributions Achieve consensus around valuation assumptions with Committee by end of June 2025	Initial valuation modelling has taken place and initial meetings with all 7 of our largest employers have been held Assumptions review has taken place and detailed in valuation report to Committee	Data provision to Scheme Actuary Engagement with smaller employers Review of Funding Strategy Statement and employer consultation
Cashflow modelling - Committee to see more information on how the Fund handle cashflow GREEN	Cashflow modelling policy introduced in 25/26 - with regular reporting, built into existing report	Ongoing monitoring of the cashflow position is in place	Cashflow model to be reviewed in light of decisions made throughout 2025 Valuation process Cashflow monitoring policy to be developed
Strategic Asset Allocation SAA (subject to consultation) GREEN	Asset Allocation decided with scope for swift response to developing risk and opportunity, March 2026 Consultation with key stakeholders	Initial work with Independent Investment Adviser (IIA) discussed and timescales agreed	Agree scope of SAA review with IIA Consult key stakeholders

			Finalise SAA for sign off in March 2026 Committee
Implement Government Policy GREEN	Response issued to relevant consultations Take leading role through SPOG/PLSA and other cross industry groups in responding to consultations New Regulations complied with ahead of deadline (where practically possible)	New consultation launched by Government “<i>Local Government Pension Scheme in England and Wales: Access and fairness</i>”, response due on 7 August 2025 Awaiting response to fit for future consultation Letter received from Government 9 April regarding Brunel, work has commenced to explore options, see report later in this meeting	Develop in-principle decision with partner pool Consult Administering Authority and Pension Committee/Board Submit in-principle decision to Government ahead of 30 September 2025 deadline
Responsible Investment Policy development GREEN	Leading/recognised accreditation scores within Stewardship Code	Submission currently being prepared for submission	N/A
Value for Money analysis GREEN	Ensure analysis is completed (active vs. passive) and next steps agreed. Cost transparency reviewed	This will be included as part of SAA work and selection of new pooling partner	N/A

14. All 5 actions are rated green, largely due to work progressing well on the 2025 valuation, cashflow modelling and producing the revised Strategic Asset Allocation will naturally align as part of the valuation work during 2025/26. The Fund’s Responsible Investment Policy has been well received, and progress continues to be made in line with the Policy. A further survey will be issued to scheme members at the end of this year to ensure our progress is supported by scheme members.

15. Implement Government policy is rated as green, due largely to the work completed so far at pace since 9 April 2025 letter, broadly in two streams, individual Fund level and also working closely with partner Funds at the Brunel Pensions Partnership. Fund officers are preparing options ready to meet the requirement for an in-principle decision ahead of the 30 September 2025 deadline.

16. A new consultation was published on 15 May 2025, Local Government Pension Scheme in England and Wales: Access and fairness. The consultation, the link in included below:

[Local Government Pension Scheme in England and Wales: Access and fairness - GOV.UK](#)

17. The consultation covers a range of areas. Key areas impact both the Fund and participating employers and are detailed below:

- a. **Survivor pensions and death grants** - Backdated, upward equalisation of the pension payable to the survivor of a marriage or civil partnership regardless of the sex of either the eligible member or their survivor. Retrospective removal of the requirement for a signed nomination form for qualifying cohabitee survivors. Backdated removal of the age 75 cut-off on eligibility for death grants. Removal of the requirement to pay a death grant to a personal representative where it hasn't been paid within the 2-year limit
- b. **Gender Pension Gap** - Making authorised unpaid absences under 31 days automatically pensionable for all members (with member and employer contributions based on the member's 'lost earnings'). Restructuring the sharing of costs of buying back pension lost in an unpaid break of over 30 days to align members' and employers' contributions with the standard member contributions payable if the member had not been on unpaid leave. Making unpaid additional maternity and adoption leave and shared parental leave automatically pensionable, with the cost met by the employer. Mandatory reporting by administering authorities (AAs) of the fund-wide gender pension gap and gender pension savings gap in the actuarial valuation report (from the 2025 valuation onwards).
- c. **Out-outs** - Mandatory collection of data by AAs in relation to the rate of opting-out. A new form to collect demographic and equalities data of those opting-out. Mandatory reporting by AAs of percentage rate of opt-outs in the Annual Report.
- d. **Forfeiture** - Removing the requirement that a member must have left employment because of the offence for forfeiture to be possible. Abolishing the current three-month time limit for an application to be made. Removing the current regulations around interim payment directions. Publishing guidance on making a forfeiture application.
- e. **McCloud** - Address issues with the operation of the McCloud underpin.
- f. **Transfers of Additional Voluntary Contributions (AVCs)** - Permit members who transfer out to keep their AVCs within the LGPS.
- g. **Lifetime Allowance (LTA)** - Remove the LTA and LTA charge.
- h. **Refunds** - Remove the requirement to pay a refund of contributions on a specific date.

18. Fund officers are in the process of drafting a response to the 52 questions. Fund officers are also communicating with employers to ensure they are aware of the proposals, some of which would add additional costs to an employer's payroll.

19. Deliver service enhancements and cost reductions through increased use of technology. There were 5 actions set for this service priority within the Business Plan, and progress against these measures is set out below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Website development and launch AMBER	Website domain and host agreed by mid-2025 New website launched by end of the scheme year (March 2026) Overwhelmingly positive feedback from users Accessible requirements completed - WCAG 2.2 requirements, useable on all devices (mobile, computer etc)	Engagement with IT Services commenced in January setting out the requirements for the Fund's new website	Development, internal testing, user acceptance testing and communications to launch new website
Implement Pensions Dashboard GREEN	ISP contract in place – by March 2025 Connected to ecosystem by mid-October 2025 for both pension benefits and Additional Voluntary Contributions (AVCs) Report updates to Committee/Board and provide information on how successful connection has been	ISP contract in place and set up of dashboard progressing well	Connection, testing and launch of dashboard
Development of iConnect - continue to utilise further improvements to the service GREEN	Patches implemented on release day Regular engagement with Heywoods maintained to understand upcoming improvements and how to utilise them Training delivered to relevant officers	Service review meeting held at Fund offices with Heywoods on 28 May 2025 Steady progress on a number of system updates and service enhancements	Work with Heywoods to support integration of AI into Fund processes

Ensure all technology used is compatible with Windows 11 GREEN	Engage support of host authority IT Team Complete review of all devices and software Replace those not compatible with Windows 11 by 30 September 2025	Updates expected to take place over the coming months	N/A
Other developments – MSS, address checker, electronic pension payslips, EA2P, bank account verification GREEN	MSS development implemented Increased members uptake and online activity Positive user feedback in surveys received	Service review meeting held at Fund offices with Heywoods on 28 May 2025 Steady progress on a number of system updates and service enhancements	Work with Heywoods to support integration of AI into Fund processes Increased members uptake and inline activity

Budget 2025/26

20. The budget for 2025/26 was agreed at £26,742,000 as part of the Business Plan at Committee on 7 March 2025. At this stage of the year there is insufficient information to produce a meaningful forecast of any variations to this forecast.

Training Plan

21. Part D of the Business Plan set out the broad Training Plan for Committee and Board Members. This reflects the Knowledge Assessment and feedback from Committee and Board members in 2024. We have pre-Committee training at this meeting from Brunel and Fund Officers are currently organising a joint in-person training day with another Pension Fund due in the autumn.

22. The Plan also includes reference to the on-line training offered by Hymans Robertson which all Members are encouraged to complete, a list of recommended external courses and conferences which Members are invited to consider as well as the offer of individual sessions with Officers and the development of a specific training plan to meet individual needs.

23. Since our last Committee meeting, we have a number of new Committee Members due to the elections held on 1 May 2025, as at the date of writing this report four out of seven Committee Members had completed their induction training, along with ten other Councillors who could now act as substitutes should the need arise. In line with the training policy all Committee Members are required to complete their induction before sitting on Committee.

24. Should you need any further information and for any questions, please contact Anna Lloyd, our Governance and Communications Officer.

Lorna Baxter
Executive Director of Resources & Section 151 Officer

Appendix: N/A

Background papers: N/A

Contact Officer: Mark Smith, Head of Pensions, 01865 328734,
mark.smith@oxfordshire.gov.uk

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