

PENSION FUND COMMITTEE

5 June 2026

REVIEW OF THE ANNUAL BUSINESS PLAN 2026/27

Report by the Deputy Chief Executive (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.**

Executive Summary

2. This report provides the Pension Fund Committee with an update on progress against the 2026/27 business plan.
3. Overall, the Fund is making good progress across its key priority areas for 2026/27. With key areas highlighted where there are challenges which includes Workforce Strategy, procurement and implementation of Government policy on Access and Fairness and Access and Protections.

Purpose

4. The purpose of the report is to review the progress against the key service priorities set out in the business plan for the Pension Fund for 2026/27 as agreed by this Committee in March 2026.

Introduction

5. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2026/27 remain consistent with those agreed for previous years.
6. 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

7. 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 2026/27

8. The service priorities for 2026/27 were developed through a workshop to which all members of the Pension Committee and Pension Board were invited. This year, the workshop was held on 9 February 2026 and was facilitated by Hymans Robertson.
9. The workshop enabled members of the Committee and Board to identify key priority areas for the Fund for 2026/27. Fund officers have sought to bring this together under the 4 key priorities within the 2026/27 Business Plan which are summarised as follows:
 - a. To deliver further improvements to the governance arrangements of the Fund.
 - b. To deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes.
 - c. To develop further the Fund's Investment and Funding service.
 - d. To deliver service enhancements and cost reductions through increased use of technology.
10. 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 measures of success are set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions/Next Steps
Review and Implement the Workforce Strategy RED	Phase 1 – Benchmarking Phase 2 – Fund structure/capacity review Phase 3 – Employee value proposition	Phase 1 – Completed Phase 2 – has commenced Organisational redesign is in progress, as at mid-	Phase 3 (Employee Value Proposition) Organisational redesign - review by Design Authority Consultation with unions

	Council Organisational Redesign	May all Fund roles (excluding Head of Pension Fund) are currently undergoing job evaluation	Consultation with employees Aim to implement changes effective 1 September 2026
Finalise work on General Code compliance and provide external scrutiny/review ahead of preparation for the Independent Governance Review (IGR) GREEN	Finalise review of remaining GCOP modules Independent review of last modules	12-month plan developed to improve and maintain compliance Further module on 'Dispute Resolution Procedures' completed, three other modules to be reviewed in July	Oversight and challenge work is scheduled and due to be reported to September 2026 Committee The fund has prioritised a further six modules for detailed review later in the year, forming a continuous cycle of review and improvement
Review and implement confirmed Good Governance Review outcomes as part of the 'Fit for the Future' consultations GREEN	Review and update Training Strategy as required Review and update Governance Strategy and other policies as required Review, advertise, recruit and appoint an Independent Person to Pension Fund Committee (non-voting) Review and prepare for the Independent Governance Review (IGR) Appoint Senior LGPS Officer	Pensions Bill, now the Pensions Act, obtained Royal Assent on 29 April 2026 Finalised regulations expected late May/June Draft guidance expected to be finalised June/July Appointment of Senior LGPS Officer covered in separate item on this agenda	Review various policies once final regulations and guidance issued Appointment of Independent Person Constitution review and update Scheme documentation and delegations to be updated Preparation for IGR
National Knowledge Assessment (NKA) and Knowledge and Understanding GREEN	All Committee and Board members complete TPR Toolkit	Updated LOLA launched, with training session run on how to make	Take part in the NKA autumn 2026

	First year of scoring baseline for new Committee. Board to maintain or improve NKA score from previous year All Committee and Board members enrolled on LOLA and complete 50% of modules	best use of the online learning tool Pre-Committee training from LGPS Central on listed equities Training afternoon on funding by Hymans Robertson	Continue with formal training plan for Committee/Board
Local Government Reform (LGR) - 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 Review Fund position in light of LGR and propose structure that safeguards the smooth operations of the Fund	Fund officers are taking part in the pre-transition stage planning and considering the implications for the Fund Initial meetings with neighbouring Fund to cover off possible inclusion of additional area S151's updated Update due to be provided to LGR Programme Board 21 May Engagement and sharing of best practice with other Funds has commenced Report on Fund structure post LGR included later in the agenda	Awaiting Government decision on Oxfordshire LGR, due July 2026 Additional employer training and roll out of self-service functionality on Early Retirement Costings (ERCs) to wider group of employers Recruit additional resource to support increased work volumes Planning and preparation to continue during 2026

7. Out of the 5 measures of success under this objective, 4 have been rated green. The last few modules will be completed in July on the General Code of Practice (GCOP) and independent review will take place with a report going to September Committee, which will then complete our GCOP review. GCOP will then be on a routine review cycle to ensure compliance standards are maintained and will

support in preparation for the Independent Governance Review (IGR). The IGR needs to be completed by 2028, in preparation for the IGR Fund officers plan to complete an internal review during 2027 with external challenge ahead of the IGR, to enable the Fund to be best placed in 2028.

8. The National Knowledge Assessment (NKA) has been marked as green, the next NKA will be held in the autumn 2026 preparation has commenced with a schedule of LOLA modules for Committee and Board to work through to support all the key areas covered by the NKA.
9. The Workforce Strategy action has been assessed as red and remains a critical area of work if the Fund is to meet future challenges, including Fit for the Future, Access and Fairness, and Access and Protections. The Council's organisational redesign is underway, with Fund roles are currently at the job evaluation stage ahead of consideration by the Design Authority, trade union consultation and employee consultation. The Fund continues to experience the loss of officers through retirement and moves to other roles perceived to offer stronger career prospects. In addition, the Fund has recently suffered a bereavement within the Investment and Finance Team. Taken together, these factors have reinforced the importance of moving forward on workforce planning, which has been reflected in a red status and added to the risk register.

Fit for the Future - Governance

10. The Pensions Bill received Royal Assent on 29 April 2026, thereafter the Pensions Act is now in place. We expect final Regulations to be released end of May and 21 days after coming into force. Final guidance is expected late June or early July, once this is published we can move forward knowing the exact detail to implement the raft of changes.
11. A range of activity needs to take place, this is not a comprehensive list, but will high level include:
 - a. **Appointment of the Senior LGPS Officer**, which is covered by the paper later in the agenda and which Committee and Board received a training session on 1 June 2026.
 - b. Make necessary changes to the Constitution and Scheme of Delegation.
 - c. Update Governance Strategy
 - d. **Appointment of the Independent Person**, including establishing governance practices for appointment and updating scheme documentation, Terms of Reference etc.
 - e. Establish training plan and induction, including updating existing training plan.
 - f. **Independent Governance Review (IGR)**, procure provider for the IGR.
 - g. Update policies and procedures, such as Conflicts of Interest, Governance Policy (including Compliance Statement), Annual Report, Fund training policy and Pensions Administration Strategy.

Local Government Reform (LGR)

12. LGR is a standing item on this report, the risk register has been updated to reflect the potential impact of LGR on Fund services through the significant period of change.
13. There is a paper later in the agenda covering options for Fund structure post LGR.
14. Planning is currently underway ahead of the expected Government decision on LGR for Oxfordshire in July 2026.
15. Fund officers are focused on training employers on self-service for Early Retirement Costings to reduce volumes of work through use of technology in preparation for LGR.
16. Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes. There were also 5 specific measures of success set out in the 2026/27 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/Next Steps
Complete McCloud (data and IT requirements) AMBER	Finalise remaining McCloud cases by 31 August 2026	Further details on the current position of the McCloud implementation are included in the administration report	Finalise remaining cases ahead of 31 August 2026
Monitor and improve Common Data scores GREEN	Maintain or improve data score	LGPS Common Data is 94.6% and Scheme Specific Data is 99.13%	Next assessment late 2026
Employer Engagement/Client Relationship (including escalation process/fines) AMBER	Contributions reconciled monthly Member data reconciled monthly Late data and/or contributions pursued within 1 week - large employers, smaller employers within 2 weeks Develop Employer Services team to be centre of excellence for customer service (to employers), on	Training for the team has been commissioned Software currently being reviewed to support the team with increased volumes of Admission Agreements (likely to increase further with LGR) Standardise employer processes and workflows, currently under review with the support of Hymans Robertson	Team training to be provided by Hymans Robertson More work is required around processes, policy documents and team structure

	valuation and employer covenant and all other employer matters Improve employer knowledge and understanding of responsibilities Review and update of all Fund provided employer policies/processes and procedures completed	Training for employers delivered	
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 Formalise customer satisfaction reporting to Committee and Board as part of annual administration update	Overall complaints remain low along with stage 1 and 2 Internal Dispute Resolution Procedures (IDRPs) Customer satisfaction reported annual as part of administration update	Continued monitoring of cases and reporting of common themes
Implement Government Policy - Access – Fairness/Protections RED	Once guidance confirmed, review and implement: • New Fair Deal • Academies in the LGPS • Normal Minimum Pension Age • Pension access for mayors and councillors	Awaiting the bulk of regulations and guidance Project plan in place Work commencing Councillors scheme in place	Significant amount of work of work involved in historic cases Continued monitoring for remaining guidance and regulations

	- Survivors benefits - Gender Pensions Gap - Other areas detailed in guidance		
--	---	--	--

17. Out of 5 measures of success, 2 are rated as green, due to positive data quality scores under the measure of common and specific data, 94.6% and 99.13% respectively and waiting the autumn when this will be reviewed again.

18. We have rated amber the McCloud measure of success; this is largely due the remaining complexity of cases that need completion before 31 August 2026.

19. The employer engagement/client relationship model remains as amber reflecting progress has been made, however there continues to be significant work in this area to move to the structure we need in order to provide an improved level of support to our employers. Hyman Robertson are providing team training to support knowledge and understanding and to strengthen in-house processes.

20. Implementation of Government policy on Access and Fairness and Access and Protections is flagged as red, due to the short timescales for implementation and lack of timely regulations or guidance, creating challenges on processing of cases on the already stretched operational teams.

21. 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/Next Steps
Preparation for 2028 Valuation AMBER	Review, develop and implement employer covenant monitoring Actuarial procurement by December 2026 Complete and finalise any remaining activity on the 2025 valuation	Actuarial procurement has commenced with engagement with the procurement team and legal Tidy up from 2025 valuation	Planning for the 2028 valuation Develop employer covenant monitoring Actuarial procurement Review and finalise any remaining loose ends/clarifications around policies

			Incorporate Gender Pensions Gap requirements into future planning
Develop Cashflow modelling reporting GREEN	Expecting to be cashflow negative during 2027/28, development of more detailed cashflow monitoring	See funding and investments update later in the agenda Ongoing conversations with LGPS Central on distributing asset classes	Implement regular reporting to Committee and Board
Working with our Investment Pool, implement our Strategic Asset Allocation (SAA) GREEN	Seek approval of SAA at March 2026 Committee Work closely with LGPS Central to implement our SAA	SAA approved by Committee in March 2026 Engagement with LGPS Central is currently underway	LGPS Central to implement SAA once pooling transition is complete
Implement the ' Fit for the Future ' requirements AMBER	Become Shareholder and Client in LGPS Central Transition Brunel portfolios to LGPS Central Delegate implementation of investment strategy Implement taking principal advice from LGPS Central Transfer non-pooled assets to LGPS Central Closure and wind up of Brunel Pensions Partnership	The necessary steps to become a shareholder in LGPS Central were completed before 1 April 2026 deadline Transition in progress and expected to be completed in June 2026 Transitional Services Agreement and winddown agreements signed in respect of Brunel, administrators appointed	Implement taking principal advice from LGPS Central Brunel, FCA permissions surrendered Brunel employees to end employment Pension cessation reporting Trading accounts prepared and then audited Management accounts prepared, along with Statement of assets and liabilities, and corporate tax submission Dissolution during 2027
Responsible Investment GREEN	Pooling – ensure continuity of data through the transition	Access to Brunel document library provided to LGPS Central	Natural Capital Portfolio development

	Reporting – completion of TCFD and Stewardship Code reports. Improve the presentation of reports to enhance stakeholder engagement. Development of RI metrics dashboard Climate Change – review of the Climate Change Policy as part of the strategic asset allocation review Natural Capital – develop in collaboration with LGPS Central and other partner Funds	Enhanced RI portfolio currently being worked on by collective of likeminded partner Funds	Local Investment capacity build out Cash management UK Portfolio development with other partner funds
Value for Money analysis GREEN	Cost transparency reviewed and monitored with focus on LGPS Central costs	Value for Money added to Oversight Board Terms of Reference Tracking of costs and comments from Independent Investment Advisor	Continue to monitor and oversight to ensure LGPS Central offerings are Value for Money

22. Out of 6 measures of success 4 are rated green, largely due to work progressing well.

23. Implementation of Government policy is rated as amber, largely reflecting the challenging timescales associated with delivering the transition from Brunel to LGPS Central alongside the implementation of the Fit for the Future changes.

24. Preparation for the 2028 valuation is also rated as amber, largely due to delays in the procurement process, which have made the timetable for appointment more challenging to achieve. These delays reflect both internal processes and the limited Fund officer capacity available to progress the procurement at the required pace.

Fit for the Future – Pooling - Pensions Act

25. The key elements of the Act are:

- a. All pools must be registered investment companies authorised by the FCA.
- b. All LGPS assets in England and Wales must be transferred to the management of the pool by 31 March 2026.
- c. Powers for the Secretary of State to require LGPS pension funds to join a pool and to direct an asset pool on high-level matters related to investment.
- d. A requirement that local authority pension funds must formulate an investment strategy and receive advice on it from its asset pool company.
- e. A definition of local investment.
- f. Powers for the Secretary of State to require pension funds to undertake periodic or ad hoc independent governance reviews.
- g. The requirement on pension funds to appoint a senior LGPS officer with responsibility for the administration of the fund and for members of Pension Committees to have adequate knowledge and training.
- h. A power for the Secretary of State to require LGPS pension funds to merge.

26. As detailed previously we are expecting final regulations and guidance to be issued by the end of May and late June respectively.

Pooling Update

27. All requirements regarding the admission to LGPS Central were completed by 1 April 2026, including:

- a. Execution of the Shareholder Agreement.
- b. Execution of the Client Agreement.
- c. Completion of delegated investment management arrangements.
- d. Completion of fiduciary management agreements.
- e. Completion of all legal, governance and operational arrangements in order to onboard with LGPS Central.

28. As a result of the successful completion of all the required activity the Fund became a shareholder in LGPS Central with effect from 1 April 2026, meeting the Government's pooling deadline.

29. The regulations were not in place on 1 April 2026, the Pensions Act came into force on 29 April 2026 with regulations and guidance to follow.

30. Oxfordshire Pension Fund is now a shareholder and client of LGPS Central.

31. The transition programme from Brunel to LGPS Central is underway and progressing in line with the transition plan. Further details of the transition are included in the presentation from LGPS Central.

32. Deliver service enhancements and cost reductions through increased use of technology. 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/Next Steps
Website launch and development GREEN	New website launched by end of the scheme year (March 2026) Accessible requirements completed - WCAG 2.2 requirements, useable on all devices (mobile, computer etc) Development of contact forms, review of materials	Website launched April 2026	Development of website Development of contact us form Development of media materials for the website
Implement Pensions Dashboard GREEN	Finalise work Additional Voluntary Contributions (AVCs) Implement further activity as confirmed by Government	Worked completed as far as possible, awaiting confirmation of the next stage of activity from Government	Awaiting Government
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	System updates are covered in the administration report	
Procurement Heywoods GREEN	Procurement required contract end 2029	Initial procurement stages have commenced	Ongoing procurement will continue over the 2026/27 and beyond due to system complexity
Increase usage of and develop Fund LinkedIn GREEN	Use for wider audience: - Recruitment - Fund policies and consultations	The Fund makes regular posts including voting matters, Fund statistics, career opportunities,	Expand our reach Use more for recruitment

	Employer information Increase outward knowledge of Oxfordshire Pension Fund and work as a responsible investor	employer forums, team away days etc	
Other developments – Cyber Security, electronic pension payslips, EA2P	Cyber Security audit Explore further system developments to support operation of the Fund	MSS launched early 2026 Initial feedback from scheme members has been positive	Electronic pension payslips EA2P

33. Out of 6 actions all are rated green, largely due to work progressing in these areas or awaiting clarity from Government on next stage of requirements.

34. New website successfully launched in April 2026, focus now changes to developing the website further.

Budget 2026/27

35. The budget for 2026/27 was agreed at £31,193,000 as part of the Business Plan at Committee on 6 March 2026. At this stage of the year there is insufficient information to produce a meaningful forecast of any variations to this forecast.

Training Plan

36. The Training Plan for Committee and Board Members was set out in the relevant paper to March 2026 Committee. This reflects the feedback from Committee and Board members in 2025.

37. The National Knowledge Assessment (NKA) will take place again in the autumn 2026, with Committee and Board focusing on developing the foundation of knowledge built last year after the election of an almost entirely new Committee.

38. The Plan also includes reference to the on-line training offered by Hymans Robertson which all Members are encouraged to complete as good preparation for the NKA.

39. 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 is also covered in the Plan.

40. Should you need any further information please see the links in the Training Plan and for any questions, please contact Anna Lloyd our Governance and Communications Officer.

Cash Management

41. The Strategy is based on the Treasury Management Strategy for the Council but has a significantly reduced number of counterparties reflecting the lower sums of cash involved, and the wider set of alternative investment classes open to the Pension Fund.
42. Cash management will be an increased focus over the coming years as the Fund changes to a more mature demographic and becomes cashflow negative as a result.

Corporate Policies and Priorities

43. The overall priorities of the Pension Fund 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

Legal Implications

The legal implications section should be completed by a member of the legal service

44. This report has been prepared in accordance with the Oxfordshire County Council's (the "**Council**") responsibilities as the Administering Authority for the Oxfordshire Pension Fund.
45. As Administering Authority, the Council is responsible for managing and administering the Local Government Pension Scheme pursuant the Local Government Pension Scheme Regulations 2013 ("**LGPS Regulations 2013**").
46. The Council as Administering Authority determines its own governance arrangements and the delegation of those responsibilities which is set out in the Council's Governance Strategy Statement (v 2025). Pension Fund Reports are a non-executive function and presentation before Cabinet is not required.
47. Oxfordshire County Council as Administering Authority for the Fund delegates all functions relating to the management of the Pension Fund to the Pension Fund Committee. Certain functions are then further delegated by the Pension Fund Committee to Officers in accordance with the Scheme of Delegation. Officers report decisions back to the Pension Fund Committee.
48. Regulation 53A (Appointments that must be made by administering authorities) of the LGPS Regulations 2013 to be implemented with effect from 1st April 2026 by the Local Government Pension Scheme Amendments Regulations 2026 will

requires the Administering Authority to have a senior Local Government Pension Scheme officer, “who has senior responsibility across all pension functions to ensure the fund is appropriately managed and resourced across administration, investment and governance matters” which must be in accordance with guidance issued by the Secretary of State. (**S53A(1)**) The senior Local Government Pension Scheme officer (“**the senior LGPS officer**”) is a statutory role.

49. The senior LGPS officer role is responsible for all aspects of managing the Local Government Pension Scheme within the Administering Authority.
50. In carrying out its functions, the Pension Fund Committee must act within the statutory framework governing the Local Government Pension Scheme (the “**LGPS**”), including pursuant to the Local Government Pension Scheme Regulations 2013, the Administering Authority’s required governance and administration requirements, and the approved Pension Fund Governance Policy and Scheme of Delegation.
51. The Administering Authority must have regards to and publish its Pension Fund Strategy and any revisions pursuant to s59 of the LGPS Regulations 2013.
52. Any procurement, contractual, or data-handling matters connected with the implementation of decisions are managed in accordance with the Council’s Contract Procedure Rules and Data Protection obligations. Further legal advice will be requested and provided where required. The senior LGPS officer has provided the legal team with full information relating to this report for review and consideration and answered any queries raised.
53. Both Section 151 Officer and the senior LGPS officer should approve pension fund accounts.
54. Legal team is assured that the Pension Fund Committee has taken appropriate advice to ensure the Committee fulfils its fiduciary duties to Scheme members and employers.
55. In view of all information provided, legal review of legislative and regulatory requirements, including impending enacted amendments to LGPS Regulations 2013, and the cogency of information provided by the senior LGPS officer who has consulted with the S151 Officer, the Pension Fund Committee Report, provided appropriate approval of pension fund accounts is provided pursuant to paragraph 70 above, the contents of this report satisfy the requirements of the LGPS Regulations 2013 (as amended) in respect of its administration, operation and management. The Council’s legal team is satisfied that all regulatory, legislative and governance requirements pertaining to Oxfordshire County Council as Administering Authority are complied with, by the level of engagement, documentation provided for review, explanation and scrutiny offered by the senior LGPS officer and our opportunity for review.

Contact :

Staff Implications

56. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

57. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

58. There are no direct sustainability implications arising from this report.

Risk Management

59. The Local Pension Board provides scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective risk management over the Pension Fund operations.

Consultations

60. Officers of the Fund.

Lorna Baxter
Deputy Chief Executive and Section 151 Officer

Annex: N/A

Background papers: N/A

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

May 2026