

# **PENSION FUND COMMITTEE**

**05 June 2026**

## **INVESTMENT AND FUNDING UPDATE**

**Report by the Deputy Chief Executive (Section 151 Officer)**

### **RECOMMENDATION**

1. **The Committee is RECOMMENDED to note the contents of the report.**

### **Executive Summary**

2. This report provides an update on the Investment Strategy Statement, progress of portfolio transitions to LGPS Central, the Fund's cashflow position, and local investments.

### **Investment Strategy Statement**

3. At its meeting on 6<sup>th</sup> March 2026 the Pension Fund Committee approved a draft Investment Strategy Statement (ISS). This has been issued for consultation which closes on 1<sup>st</sup> June 2026. Following review of the feedback a final version of the ISS will be taken to Committee in September for approval.
4. In addition to the ISS the Committee agreed draft versions of the Cash Management Policy and Local Investment Policy. These have been included in the consultation to gather feedback from stakeholders.

### **Transitions Update**

5. The Fund has commenced the transition of assets to LGPS Central following the Fit for the Future regulations and Oxfordshire's joining of the Central Pool.
6. The transfer of the Brunel Global Sustainable Equity portfolio to LGPS Central sustainable equity portfolios completed on 29<sup>th</sup> April 2026. A total of £684m was transitioned for Oxfordshire and the costs of the transition was assessed as c.£800k (12bps) including tax costs.
7. The transfer of the Brunel Active UK Equities portfolio to LGPS Central completed on 14<sup>th</sup> May 2026, which included £476m of Oxfordshire assets. The existing Brunel portfolio has initially been mirrored at LGPS

Central, and the transition was enacted so as not to incur any costs. The structure of the UK portfolio at LGPS Central is due to be discussed later in the year.

8. The final active equity portfolio to be transitioned is the Brunel Global High Alpha portfolio. The transition is scheduled to complete at the end of May 2026 with details on transition costs to follow.

## **Fund Cashflows**

9. Over 2025/26 the Fund has continued to be slightly cashflow positive on the balance of contributions received and benefits paid out.
10. From the 1<sup>st</sup> April 2026 contribution rates from the 2025 triennial valuation came into effect. The combined employer contribution rate from the 2022 valuation was 20.7% of pay falling to ~18.1% of pay in the 2025 valuation over the three-year period commencing 1<sup>st</sup> April 2026.
11. The Fund is forecast to become cashflow negative in 2027 and will manage any cashflow requirements in accordance with the Fund's Cash Management Policy.

## **Local Investment**

12. The Fund has completed its £55m investment into the affordable housing fund with Man Group during May 2026 which included provisions for the commitment to enable affordable housing developments in the Oxfordshire geography. The £10m investment into a transitional housing fund, again with a local investment focus, is nearing completion with legal reviews taking place.
13. The Fund has also made a £30m commitment to the latest fund from the Oxfordshire based venture capital firm Longwall Ventures with whom it has invested previously. Due to its base in Oxfordshire, and the strong pipeline of suitable startup opportunities within the County, the firm have historically invested a significant proportion of its capital in companies based in Oxfordshire, including university spinouts.
14. The Fund has continued to pursue other local investment opportunities and are actively exploring a couple of local investments that would complete later in the year.
15. Fund officers are working closely with LGPS Central to develop the local investment portfolio being developed at the Pool, and are using the Local Investment Policy agreed by Committee as the framework for inputting into the portfolio development.

## Corporate Policies and Priorities

1. 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**

2. 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.
3. 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**").
4. 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.
5. 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.
6. 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 much 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.
7. The senior LGPS officer role is responsible for all aspects of managing the Local Government Pension Scheme within the Administering Authority.

8. 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.
9. The Administering Authority must have regards to and publish its Pension Fund Strategy and any revisions pursuant to s59 of the LGPS Regulations 2013.
10. 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.
11. Both Section 151 Officer and the senior LGPS officer should approve pension fund accounts.
12. 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.
13. 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**

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

## **Equality & Inclusion Implications**

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

## **Sustainability Implications**

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

## **Risk Management**

17. 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.

Lorna Baxter  
Deputy Chief Executive (Section 151 Officer)

Annex: Nil

Background papers: Nil

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