

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 12 December 2025 commencing at 10.00 am and finishing at 1.00 pm

Present:

Voting Members: Councillor Peter Stevens – in the Chair

Councillor Nick Field-Johnson
Councillor David Henwood
Councillor Dan Levy
Councillor Leigh Rawlins

Non-Voting Members: Councillor Nick Cotter (joined online from Item 7 to 11)
Steve Moran, Pension Scheme Member (non-voting)

By Invitation: Anita Bathia, Independent Financial Advisor
Richard Law-Deeks – Chief Executive Officer, LGPS Central (for Item 17)
Trevor Castledine – Chief Clients and Advisory Officer, LGPS Central (for Item 17)
Russell Oades – Client Director, LGPS Central (for Item 17)
Struan Fairbairn – Chief Legal, Compliance and Risk Officer, LGPS Central (online) (for Item 17)

Local Pension Board Members: Alistair Bastin
Janet Wheeler
Liz Hayden

Officers: Lorna Baxter (Executive Director for Resources and Section 151 Officer), Mark Smith (Pension Service Manager), Vicki Green (Pension Services Administration Manager), Greg Ley (Pension Fund Investment Manager), Josh Brewer (Responsible Investment Manager), Mukhtar Master (Governance and Communications Manager), Anna Lloyd (Governance & Communications Officer), Lucy Brown (Senior Democratic Services Officer)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with [a schedule of addenda tabled at the meeting][the following additional documents:] and decided as set out

below. 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.

54/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies were received from Councillor Andrew Crichton and John Arthur, Independent Financial Advisor and Anita Bathia attended in his place.

55/25 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

None received.

56/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 3)

Julia Spragg of Fossil Free Oxfordshire addressed the Committee on Item 12. Corporate Governance and Socially Responsible Investment, a copy of which is attached to these minutes.

57/25 MINUTES

(Agenda No. 4)

The minutes of the meetings held on 6 June 2025, and 5 September 2025 were agreed as a correct record of the meeting.

58/25 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 5)

The Committee **RESOLVED** to note the unconfirmed minutes of the Local Pension Board which had met on 17 October 2025.

59/25 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 6)

Alistair Bastin, Local Pension Board member introduced the report which set out the items the Local Pension Board wished to draw to the attention of the Committee following their last meeting. He emphasised to the Committee the need to ensure that there were efficient resources to deliver Fund objectives, that Aon were undertaking a benchmarking exercise and the Board would be able to support and advise throughout that process if required.

He highlighted Risk 20: Significant change in liability profile or cash flow as a consequence of Structural Changes, should be increased when considering Local Government Reorganisation as one of the new Councils could move from one Fund to another which could affect the Fund itself.

Picking up on the point regarding retention of staff, and the Workforce Strategy highlighted in the next agenda item, Review of the Annual Business Plan for 2025/26,

the Committee requested further information regarding what had been undertaken to attract and retain talent. Mark Smith, Head of Pension Services advised that this was a challenge across the whole of the LGPS, however the Fund had engaged a consultancy to undertake a benchmarking exercise and comparisons against the Fund structure, both as current and what would be expected to ensure it was fit for the future. Further details on this would come to the March Committee meeting, with any changes from phase 1 expected to be implemented by June 2026.

Regarding the Corporate Policies and Priorities, it was noted by the Committee that it should be reviewed to include Protect and Enhance Investment Values, as one of its priorities, and Alistair Bastian advised that whilst the Board would probably agree, it is for the Fund to set their own Corporate Policies and Priorities. Mark Smith advised that this could be picked up as part of the business planning exercise scheduled for January 2026. (ACTION)

Mukhtar Master, Governance and Communications Manager flagged for the Committee the remit of the Board which had been set up to ensure governance of the Fund and would not include how the Fund was invested.

The Committee RECOMMENDED to note the comments of the Board.

60/25 REVIEW OF THE ANNUAL BUSINESS PLAN 2025/6

(Agenda No. 7)

Mark Smith, Head of Pension Fund presented the report of the Executive Director of Resources and Section 151 Officer which reviewed progress against the key priorities set out in the Annual Business Plan for the Pension Fund for 2025/26 as agreed by this Committee in March 2025. He advised that the Business Planning exercise scheduled for January would then feed into the Annual Business Plan and brought to Committee for approval at the March Committee meeting.

He highlighted the key service priorities as outlined in the report and provided an update on the Fit for the Future – Technical Consultation (Governance) which would be covered in more detail under Item 9, Governance and Communications Report, but noted the requirement to appoint a senior LGPS officer by 1 October 2026. He also advised the Committee of the requirement to appoint a non-voting Independent Person to the Committee and would update on this over the next couple of months.

He also provided an update on the Workforce Strategy, which had been split into two phases, and on completion of phase one of the review, would bring a paper with recommendations to the March 2026 Committee. He also advised that a draft response had been received to the Local Government Pension Scheme in England and Wales: Scheme Improvements (access and protections) which would be circulated to the Committee for further review.

Councillor Leigh Rawlins provided feedback following a recent training course which had promoted the use of AI technology for data recognition, processing forms, document management and workflow etc, and suggested that this be explored by Officers to address the issues notified earlier regarding staffing resources. Mark

Smith welcomed these comments and agreed that this would be part of the solution and advised that automation was part of the changes being made within the team.

In response to a question from the Committee regarding any short or medium-term risks that the Committee should be aware of, Mark Smith advised that the biggest risk was the transition to Pooling due to the costs involved for the transition to take place and this would be discussed further under the relevant agenda item.

In response to a query from the Committee regarding the availability of flexible working practices as part of an incentive to attract staff, Mark Smith advised that the Council already had a broad range of flexible working practices, and these were highlighted during the recruitment process.

The Committee RESOLVED 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.**

61/25 RISK REGISTER REPORT

(Agenda No. 8)

Mukhtar Master, Governance and Communications Manager presented the report of the Executive Director of Resources and Section 151 Officer which presented the latest position on the Fund's risk register and set out any progress on the mitigation actions agreed for those risks not yet at target and identified any changes to the risks that had arisen since the register was last reviewed.

He provided further information regarding the new emerging risks, increasing risk and reducing risks as referenced in the report, with additional detail available in the accompanying appendix.

In response to a query from the Committee regarding Risk 19: Failure of Pooled Vehicle to meet local objectives, on what actions were required to mitigate or remove this risk entirely from the register, Mark Smith, Head of Pension Fund advised that it was expected that the relationship between the Fund and the Pool would develop and enable the Fund to work collaboratively within the new Pool, enabling the Committee to work more strategically, rather than be detailed orientated. Mukhtar Master responded that whilst the Fund transitioned to the new Pool, the asset allocation amendment agreed by the Committee would be delayed as there was not an existing portfolio at the new Pool that met the requirements of the Committee. Greg Ley, Pension Fund Investment Manager advised that the instruction from the Committee to put a UK Equity portfolio in place remained, and there was the intention to implement that within the new Pool, once transition had been completed. The Committee requested they be provided with updates throughout transition on when this could be implemented. (ACTION)

In response to a query regarding Risk 24: Impact of a potential turnover of Pension Fund Committee members as a result of the election, Mark Smith advised that Pension Fund Committee members are reminded to complete their training, and

Mukhtar Master advised that an updated report on this would come to the next meeting.

The Committee RESOLVED to note the latest risk register and accept that the risk register covered all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, were appropriate.

62/25 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 9)

Mukhtar Master, Governance and Communications Officer presented the report of the Executive Director of Resources and Section 151 Officer which covered the key governance and communication issues for the Fund, including a report on any breaches of regulation in the last quarter.

He highlighted the recommendation to the Committee to agree the renewed terms of office for two Member Representatives and the Independent Chair for the Local Pension Board, which had been agreed at their last meeting. He then provided an update to the General Code of Practice Compliance for 2025/26 following the review of an 'Oversight and Challenge' exercise by a third party, Hymans. The exercise had concluded that the Fund was in a 'good' position against the requirements of the General Code of Practice. The Fund continued to review compliance against the remaining 17 modules for this year, and the plan for completion of this was provided as an appendix to the report.

In response to a query from the Committee about the improving picture of regulatory breaches for the period July to September 2025, and that there were no data breaches reported for that quarter, Mukhtar Master advised that there were secure practices in place to ensure breaches were picked up early and escalated appropriately, due to improved systems in place.

The Pension Fund Committee RESOLVED to

- a) Agree the renewed terms of office for two Member Representatives and Independent Chair of the Local Pension Board.**
- b) Note the Fund's update on General Code of Practice Compliance 2025/26.**
- c) Note the Pension Fund Committee training update.**
- d) Note the latest quarter's breaches for the fund.**
- e) Note the communications update**

63/25 ADMINISTRATION REPORT

(Agenda No. 10)

Vicki Green, Pension Services Manager presented the report of the Executive Director of Resources and Section 151 Officer which updated the Committee on the key administrative issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

She provided an update to the Committee on the increased work for benefit administration that has been exacerbated by the lack of resource in the team, alongside the expected delivery of additional projects, such as McCloud. The team were exploring alternative ways of processing high volume cases, such as automation and bulk calculations where possible. She also drew the Committee's attention to the performance measures that showed despite the lack of resource, they were still completing work received within their service level agreement measures.

She provided an update on the latest staffing figures and reported that a further two resignations had been received since the last meeting, resulting in nine vacant posts. Four agency staff had been appointed to cover the work of the Pension Support Officer and Pension Administrators. The remaining vacancies were at a senior level, and further discussions with the resourcing teams were taking place to address candidate attraction.

In response to a query regarding Appendix 3 from the Committee regarding the figures reported for April to June 2025 not corresponding to the table providing comparatives, Vicki Green advised that she recheck this information and report to the Committee directly with the corrected figures. (ACTION)

In response to a query from the Committee regarding what were the biggest impacts to the team on the current staffing difficulties, Vicki Green responded that the impacts had been highlighted as above and reiterated that this had also been impacted by the additional projects that were currently being undertaken.

The Committee requested a broader report for the next meeting on how resource shortages were being addressed, including the use of AI technology, triage, self service and various other measures that could be taken. Mark Smith agreed to update the Committee at the next meeting. (ACTION)

The Committee RESOLVED to

- a) acknowledge the challenges encountered by the administration team due to increased workload and persistent resource constraints and the actions being taken to address these.**
- b) approve the administering authority discretions policy with no changes made.**
- c) approve the changes made to the Fire Services Pension criteria in the scheme pays policy.**

64/25 REPORT OF THE INDEPENDENT INVESTMENT ADVISOR

(Agenda No. 11)

Anita Bathia, Independent Financial Advisor presented the report which provided an overview of the financial markets, the overall performance of the Fund's investments against the Investment Strategy Statement and commentary on any issues related to specific investment portfolios. The report included the quarterly investment performance monitoring report from Brunel.

Anita Bathia highlighted that the Fund had increased to £3.9bn for the third quarter with a return of 4.9%, which was below the benchmark which returned 6%. The main

driver of this relative underperformance continued to be the two largest global equity mandates, the high alpha and the sustainable fund, both of which were managed by Brunel. Over the long-term, the fund continued to trail its benchmark over one, three, five and ten years, however, returns remained strong over the 30-year period at 7.4%.

She highlighted the key action areas over the last few months and emphasised that despite the transition to LGPS Central, it remained business as usual with Brunel continuing to manage the Fund. Managing stability at Brunel would be critical at this time until the orderly transition took place.

She highlighted the Strategic Asset Allocation currently under review which produced an opportunity to articulate new asset class exposures but would also be beneficial to add more inflation protection strategies which could be carried out through a different mix of asset classes such as housing, but also infrastructure, natural capital and other index linked products.

She noted that the investment into housing, to be agreed further on in the agenda marked an important step towards a more diversified and place aligned portfolio and further increases in these areas might be considered during the Strategic Asset Allocation as it also aligned with the local investment strategy.

She highlighted the turbulent times ahead, especially in light of political and fiscal pressures, and advised that considerations for long term investment should remain diversified, with use of private markets and real assets selectively, and also to be disciplined about the pace of new commitments to concentrate on long-term growth.

Following a query from the Committee regarding the level of performance of the quoted assets within the Fund, and whether Private Equity Investment Trusts were outperforming other assets, Anita Bathia advised that these were limited companies and determined by their share price, however she would clarify the private equity investments in Table 1 of the report and identify an appropriate benchmark.
(ACTION)

In response to a query regarding the underperformance of sustainable fund, Anita Bathia advised that there were other circumstances at play that had impacted this fund, however it would be for the Pension Team and the Committee to rethink and refine their commitments to climate goals, sustainability and responsible investment values, especially as they transitioned to the new Fund with LGPS Central.

Further to Anita Bathia's comments on inflation strategy protections, the Committee requested additional information and she advised that there were many exciting strategies within the private markets, and local stakeholder buy-in could be explored with local investment strategies and investment in the real economy.

In response to her introduction where it was stated that Europe is in a weak position, Anita Bathia advised that there was hope and expectation that over the long term, fiscal stimulus would feed into a growth opportunity, however due to the current dialogue from the US and political instability, these were short to mid term drivers impacting on fiscal stimulus. In response to queries from the Committee regarding

investment into Japanese equities, she advised that there were opportunities to invest in diversified markets and they should seek Fund Managers that were specialists in this area.

In response to a query from the Committee on the position of UK rates, Anita Bathia advised that it would be difficult to judge at this time due to the sticking point of inflation.

The Committee noted the report.

65/25 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT (Agenda No. 12)

Josh Brewer, Responsible Investment Officer presented the report of the Executive Director of Resources and Section 151 Officer which outlined the approach taken by the Pension Fund and the pooling partner in key areas of Responsible Investment.

Josh Brewer highlighted the three key areas of responsible investment that had been taken by the Pension Fund and its pooling partner, Brunel; managing human rights risks in Conflict Affected High Risk Areas (CAHRAs), delivering against our Climate Change policy through the monitoring, assessment and engagement in those companies that were the highest emitters in the listed equity portfolios, and the extent to which engagement activity and proxy voting had been enacted by Brunel and its engagement advisors in support of the engagement activities carried out by the Local Authority Pension Fund Forum (LAPFF).

In response to a query from the Committee, he advised that the move to LGPS Central would enable conversations regarding passive portfolios on offer, and how we could meet our Paris Aligned commitments.

In response to a query regarding how the Committee could confirm that companies were staying within guardrails, Josh Brewer advised that the use of external data providers gave some security, however there were not a huge number of these available. He also highlighted the Heartland Initiative that provided specific reviews of portfolios in relations to conflicts, but these would be expensive to use and should look to LGPS Central before engaging with these.

In response to a query regarding the level of engagement with those companies that are the most climate-impacted in the Fund's listed market equity portfolios, Josh Brewer outlined the process used by Brunel, and that it would be for the Committee to determine where they would wish to 'draw the line'.

The Committee RESOLVED to note the contents of the report.

66/25 FUNDING STRATEGY AND INVESTMENT STRATEGY REVIEWS UPDATE (Agenda No. 13)

Greg Ley, Pension Fund Investment Manager presented the report of the Executive Director of Resources and Section 151 Officer which updated the Committee on the

review of its asset allocation prior to being present to the Pension Fund Committee at its meeting of 6 March 2026.

Greg Ley highlighted that the draft Funding Strategy had been agreed by Committee at its last meeting in September and had been submitted for consultation to employers.

A review of the Investment Strategy was being undertaken by Apex and draft results were expected by the end of the month, with initial findings being discussed with them in the following week. A workshop would be planned for late January for both the Committee and Board to develop the Strategy to be brought to the March Committee meeting.

He provided an update on the Fit for the Future's guidance on the implementation of an Investment Strategy, which advised including advice from its asset pool company, however it was deemed acceptable for the Fund to prepare its first investment strategy under the existing 2016 regulations.

The Committee expressed its concerns regarding the limitations of the Fund being able to set its own strategic direction and agreed that this could be explored further at the workshop planned for January 2026.

The Committee RESOLVED to note the progress with the reviews of the Funding Strategy Statement and Investment Strategy Statement.

67/25 EXEMPT ITEMS

(Agenda No. 14)

The Committee RESOLVED that the public be excluded for the duration of Items 15, 16, and 17 on the Agenda since it was likely that if they were present during those items there would be disclosure of exempt information as defined in Part 1 of Schedule 12A of Page 10 the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it was considered that, in all circumstances of each case, the public interest in maintaining the exemption outweighed the public interest in disclosing that information.

68/25 2025 VALUATION UPDATE - EXEMPT

(Agenda No. 15)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which provided the Committee with an update on the progress of the 2025 fund valuation.

The Committee discussed the item in private session.

The Committee RESOLVED to note the progress on the 2025 valuation.

69/25 TRANSITIONAL HOUSING FUND INVESTMENT REPORT - EXEMPT

(Agenda No. 16)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which asked the Committee to agree to an investment into the chosen Housing Fund Investment.

The Committee discussed the item in private session.

The Committee RESOLVED to agree to the recommendation contained within the report.

70/25 LGPS POOLING REFORM - EXEMPT

(Agenda No. 17)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which provided an update on progress towards meeting the Government's 31 March 2026 deadline for asset pooling and to seek approval for delegating authority to the Section 151 Officer to implement the transition to the LGPS Central Pool.

The Committee discussed the item in private session.

The Committee RESOLVED to:

- i) Note the update on pooling reform and progress made; and**
- ii) Delegate authority to the Deputy Chief Executive and Executive Director of Resources (Section 151 Officer) to:**
 - (a) Approve and authorise the entering into of the Shareholder Agreement to join LGPS Central; and**
 - (b) Approve and authorise the entering into of any fiduciary management agreements, investment agreements, Inter Authority Agreements, subscription agreements, cost sharing agreements and any other legal documents required to become a shareholder, client and receive services from LGPS Central; and**
 - (c) To make any necessary appointments required such as Shareholder Representative to LGPS Central; and**
 - (d) To sign, or authorise the sealing of, any other agreements as required to support the transition of pooled and non-pooled assets to LGPS Central; and**
 - (e) Approve and authorise the entering into of any legal documents required to enable the wind up and eventual closure of the Brunel Pensions Partnership.**

..... in the Chair

Date of signing