

PENSION FUND COMMITTEE – 5 MARCH 2021
REVIEW OF THE COMMITTEE'S ACHIEVEMENTS

Report by the Chairman of the Committee

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the achievements of the Committee over the last 4 years.**

Introduction

2. Following the County Council elections in May 2017, the Council was required to appoint 9 new members to the Pension Fund Committee. All previous County Council representatives had either stood down or lost their seats. The Committee began its work with only the 2 District Council Representatives having had any meaningful experience of the work of the Committee.
3. It therefore felt appropriate to me to look back at the achievements of this Committee over the last years as we head towards the next set of County Council elections. We may have lacked some of the required skills and experience at the start, but we have faced a number of significant challenges over the 4 year cycle and met these head on and achieved a great deal.

Key achievements over the life of this Committee

4. The Committee began life at a critical time with the development of the Government's pooling agenda reaching a key point. Indeed, immediately the Committee were appointed, we were called to an urgent meeting to appoint a representative to attend a meeting of the Shadow Brunel Oversight Board to discuss the final version of the legal documents to formally establish the Brunel Company.
5. At their first scheduled meeting in June 2017, the Committee agreed to the execution of the legal documents and the Brunel company was subsequently established in July 2017. Since that date, this Committee have successfully overseen the relatively smooth transition of the Fund's investment assets to the new Brunel portfolios. The fixed income transition in April 2021 will bring the proportion of assets successfully transitioned to Brunel to 80%, with the legacy private equity funds and the resources currently held within the Diversified Growth Fund being the only 2 significant sums still to transition.
6. Setting up a brand new company and working in partnership with the company and the other 9 Funds has not been without challenges, but the Brunel pool is seen as a success. This Committee have overseen this achievement, with the

Committee Chairman as Vice-Chair of the Brunel Oversight Board, and Sean Collins as Chair of the Client Group playing lead roles in this development.

7. It should also be recalled that the early work of this Committee was closely supervised by the Pension Regulator, following a number of years where the statutory duty to issue all Annual Benefit Statements by the end of August each year, had been breached. The Committee alongside the Pension Board and the Officers put a lot of effort into reviewing the operational processes, performance monitoring, and the communications with Scheme Employers to deliver significant improvements to the quality of the data held by the Fund. This in turn led to a significant improvement in the performance against the statutory duties, with over 99% of annual benefit statements issued on time over the last 2 years.
8. A third significant achievement by this Committee over the last 4 years has been the progress we have made in respect of integrating the risks associated with climate change into our investment strategy. In the early days of this Committee, we had members protesting outside and speakers addressing our meetings complaining about a lack of action to address these risks, and in particular a request to implement a strategy to divest from all fossil fuel companies.
9. Over the life of this Committee we held a very successful Climate Change Workshop attended by key stakeholders from all parties, including academic research, the investment industry, the Committee and Board, scheme member representatives and Fossil Free Oxfordshire, who had co-ordinated many of the previous addresses to the Committee. From this Workshop, we were able to develop our first Climate Change Policy and establish a Climate Change Working Group to take forward the implementation and monitoring of this policy, with a representative of Fossil Free Oxfordshire amongst its membership. Whilst not all parties agree on all issues, and there is still a long way to go to deliver the key objectives of the Policy, it is a significant achievement to have made the progress we have made to date and to establish the constructive working relationships we have today. The model has been recognised by the Pensions and Lifetime Savings Association as a model of good practice to be considered by others across the industry.
10. In welcoming the achievements in relation to the climate change agenda, it is important to recognise that this has been undertaken without taking any focus away from the key responsibilities of this Committee to ensure that there are sufficient resources to pay scheme member pensions as they fall due, at an appropriate level of cost and risk to scheme employers. This Committee has overseen an increase in the assets available to the Fund to pay pensions from £2.2bn at their outset, to £2.9bn today. The Funding level has improved by 93% to 99% over the same period.
11. A key part of the improvements in the quality of data held by the Fund has been as a result of the improvements in automation overseen by the Committee. This includes the implementation of iConnect which automates the flow of data from scheme employers directly to the Fund, which should be fully rolled out in April

2021. We have also seen the launch and further development of Member Self Service over the life of the Committee. This has allowed the automation of communications between scheme members and the Administering Authority including allowing scheme members to amend key basic details, to undertake their own pension estimates and to receive communications direct from the Administering Authority. This achievement was key in maintaining service standards over the last year as the Fund like the rest of the world reacted to the pandemic.

12. With the transition to Brunel virtually complete, data quality standards at or above the target levels set by the Pension Regulator, a strong start to the implementation of the Climate Change Policy, and major improvements to the levels of automation within the operating processes, the Committee is passing the Pension Fund over to the new Committee in a stronger position than that it inherited. The Committee's final key achievement was the completion of the Independent Governance Review which Hymans Robertson have delivered today. This will allow the new Committee to start life ahead of the game, and with key pointers as to future developments to further improve the governance of the Fund.

Kevin Bulmer
Chairman of the Pension Fund Committee

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