OXFORDSHIRE PENSION FUND
REPORT AND ACCOUNTS 2021/22

Registered Number: PS049/20

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FOREWORD TO THE 2021/22 PENSION FUND REPORT AND ACCOUNTS BY THE DIRECTOR OF FINANCE

Introduction

2021/22 was a year of significant change in terms of the governance of the Pension Fund. The year started with the formation of a brand new Committee, reflecting both the change in the political constitution of the County Council following the May 2021 election results, and the changes in the constitution of the Committee itself agreed by the old Council to bring greater representation of scheme employers onto the Committee. The new Committee under new Chairman Cllr Bob Johnston comprised 5 voting members from the County Council, plus non-voting representatives of the City/District Councils, Scheme Members, Oxford Brookes University and the Academy sector. To retain some consistency with the past, and to reflect the non-political nature of the Committee, Cllr Kevin Bulmer who chaired the old Committee took on the role of Vice-Chairman and retained his role representing the Committee at the Brunel Oversight Board.

Cllr Johnston's appointment to the Committee left a vacancy on the Local Pension Board, so that too saw change in membership, with 2 new scheme employer representatives joining for their October 2021 meeting.

Finally, Peter Davies stood down after over 10 years of excellent service to the Fund as the Independent Financial Advisor. Philip Hebson was appointed to the role as Independent Investment Advisor, so completing the new look governance arrangements for the Fund.

Key Activities of 2021/22

In addition to the changes in key personnel, 2021/22 also saw significant changes to the operational governance arrangements of the Fund, following the independent governance review undertaken by Hymans Robertson during 2020/21. To improve the working relationship between the Committee and the Pension Board it was agreed that the Chairman of the Committee would attend all future Board meetings to respond to queries or concerns raised by Board members on the work of the Committee. A new Conflicts of Interest Policy was agreed, and the Fund agreed to appoint to a new role of Governance and Communications Manager to both strengthen the work in this area and mitigate the key person risk identified in respect of the Service Manager.

A significant amount of time and effort was spent on reviewing the skills and knowledge of both the Committee and Board members and developing a comprehensive training programme to ensure both bodies were able to meet their statutory duties. The new training policy, which sets out a minimum level of training on induction and each year thereafter, includes a commitment to an annual assessment process, with an escalation process which could ultimately lead to the removal of a member from the Committee or Board where there is insufficient engagement with the training programme and/or progress in the development of the required skills and knowledge.

Finally on governance, the Committee and Board members introduction a new half day session into the governance arrangements to enable them to spend dedicated time on developing the Business Plan and Budget for the forthcoming year. The results of this session are covered in more detail below.

Working on the implementation of their Climate Change Policy remained a significant issue for the Committee throughout 2021/22. Key deliverables during 2021/22 were the publication of the first report in line with the Task-force for Climate-related Financial Disclosures (TCFD), the movement of 15% of the Fund into a new Paris Aligned passive equity fund developed by Brunel alongside FTSE and delivered by Legal and General Investment Management, and the development of an engagement policy statement. This later document will form the basis of future discussions within the Brunel Pension Partnership to set clear targets and timelines for the engagement with investment companies, which ultimately could lead to the selective disinvestment of companies who are not on target to meet the requirements of the Paris Agreement and a net zero world no later than 2050.

Other key activities during 2021/22 saw the implementation of principles consistent with the Immediate Detriment Framework negotiated between the Fire Brigades Union and the Local Authority Association to allow progress to be made in addressing the age discrimination within the Fire Service Pension Scheme. Work on addressing similar issues within the Local Government Pension Scheme remains outstanding, awaiting publication of guidance from the Government.

Also on the administration front, recruitment and retention of a full team remained a key challenge, and the Committee received reports throughout the year which indicated that service performance had dropped below the levels set in the Service Level Agreement. This is seen as a national issue, and the increasing complexity of the scheme, particularly in implementing the age discrimination remedy as required following the McCloud legal case will further increase the burden on the administration service.

Key issues on the investment front other than the continued work on implementing the climate change policy, centred around the development of the relationship with Brunel, the transition of resources and the improvement of reporting. The Committee also agreed minor changes to the asset allocation to enable investments into the 3rd cycle of private market funds run by Brunel. These changes saw increases in the allocations to Private Equity (9% to 10%), Infrastructure (3% to 5%) and Private Debt (3% to 5%) funded by the removal of the 5% allocation to the Diversified Growth Fund. The change to the allocation will be gradual, with the pace dictated by the speed by which fund managers draw down the new private market commitments.

The Fund

The Fund again saw a further significant change in the employer base, with 22 new scheme employers and 24 leaving the Fund, resulting in a total of 179 active employers as at 31 March 2022. The majority of these changes were in the school's sector reflecting movement between academy trusts and outsourcing contracts for school meals and cleaning. The Fund had a total of 68,863 members as at 31 March 2022, an increase of 3.7% since last year.

In terms of cash-flow, whilst the trend is downwards, the Fund remains cash positive, collecting £0.5m more on average each month in employer/employee contributions than it pays out by way of benefits, and direct administration and investment costs. This allows the Fund to maintain an investment strategy which maximises the long term returns to the Fund, without the restriction of maintaining high levels of cash or liquid assets to meet pension payments, although this will need to be reviewed as part of the next strategic asset allocation due at the end of 2022/23.

Investment Performance

The Fund increased in value by around £0.3billon over the course of the year, as the financial markets continued their post pandemic recovery. The total value of the investment assets was £3.3billion as at 31 March 2022.

The Future

As noted above, the Committee and Board ran a joint half day session to develop the Business Plan and Budget for 2022/23. The new plan was centred around 4 areas of focus.

The first area of focus was around reviewing and further improving scheme data, key to the calculation of individual pension benefits and the wider costs and scheme employer contributions set as part of the Valuation process to be undertaken during 2022/23. As well as looking to improve the existing data quality scores as reported to the Pension Regulator, this priority is also looking to ensure the security of that data and addressing the increasing cyber risks.

The second priority area is the further improvements in the use of technology to increase the efficiency and effectiveness of the service. Key is to complete a review of the current market to enable a decision on extending the current software contract or completing a tender exercise to formally test the market in advance of the breakpoint in the current contract in September 2024.

The third priority area is to enhance the delivery of the Committee's responsible investment responsibilities, taking further the work on climate change to cover all asset classes, improving existing reporting and widening the focus to cover other key areas. This is to include addressing some of the social and governance issues highlighted during 2021/22 by the Russian invasion of Ukraine.

The fourth priority area is to drive service performance back above the levels set out in the Service Level Agreement and ensure these performance levels are met consistently across the year so members get the same service whenever they retire, or change circumstances.

The Committee agreed additional budget provision to bring in additional permanent resources to support the work on governance and communications and responsible investment as well as one-off resources to support the technology project and enable service standards to be boosted and then maintained whilst coping with the additional pressures of McCloud and any other new challenges stemming from further regulatory change.

It is going to be another busy and interesting year for all involved in the governance of the Pension Fund.

Lorna Baxter
Director of Finance July 2022

THE OXFORDSHIRE PENSION FUND LOCAL PENSION BOARD

All Public Sector Pension schemes were required under the Public Service Pensions Act 2013 to set up a Pension Board with effect from 2015/16 to assist the administering authorities of their Pension Scheme in ensuring compliance with LGPS and other pension regulations.

The Oxfordshire Pension Fund Committee, acting as administering authority of the Oxfordshire LGPS, agreed the terms of reference of the Pension Board in March 2015. These terms of reference are available on the Board's website at https://www.oxfordshire.gov.uk/cms/content/lgps-local-pension-board .

Under the constitution of the Board, an annual report on the work of the Board should be produced by the Board for inclusion in the Fund's own annual report; and it should be presented to the Pension Fund Committee within 6 months following the end of the municipal year. This report meets that requirement for the 2021/22 financial year, covering the work from the July 2021 Board meeting to their meeting on 22 April 2022.

Board Membership

The Board started the year with a vacancy for one scheme employer representative following the resignation of Lisa Hughes immediately before the April 2021 meeting. A further vacancy was created following the County Council elections in May 2021 which led to Cllr Bob Johnston being appointed as Chairman of the Pension Fund Committee, which meant he was required to step down from the Board.

Following receipt of three expressions of interest, interviews were held with the Chair and Vice Chair of the Pension Fund Committee and the Head of Pensions and Elizabeth Griffiths from West Oxfordshire District Council and Marcia Slater from Vale of White Horse/South Oxfordshire District councils were appointed to serve on the Board. Attendance at Board meetings was as follows:

	Attended 9 July 2021 Meeting	Attended 22 October 2021 Meeting	Attended 21 January 2022 Meeting	Attended 22 April 2022 Meeting
Scheme Employer Representatives				
Elizabeth Griffiths (West Oxfordshire District Council)	N/A	Yes	Yes	No
Angela Priestley-Gibbins (The Thera Trust)	Yes	Yes	Yes	Yes
Marcia Slater (Vale of White Horse/South Oxfordshire District Councils)	N/A	Yes	Yes	Yes
Scheme Member Representatives				
Stephen Davis (Oxford City Council & Unite)	Yes	Yes	Yes	Yes
Alistair Bastin (Oxfordshire County Council & Unison)	Yes	No	Yes	Yes
Sarah Pritchard (Brookes University)	Yes	Yes	Yes	No

All meetings were chaired by the Independent Chairman, Matthew Trebilcock, the Head of Pensions from the Gloucestershire Pension Fund. Cllr Bob Johnston regularly attended the meetings of the Board in his capacity as Chairman of the Pension Fund Committee as part of the arrangements agreed within the Governance Review to improve communications between the Committee and Board. Angela Priestley-Gibbins, Elizabeth Griffiths, Marcia Slater, Alistair Bastin and Stephen Davis all regularly attended the Pension Fund Committee as observers, with one of them presenting the report of the Board to the Committee. Board Members were also regular attenders at the training events run through the year, to which all Committee and Board members were invited.

With the agreement of the Independent Chairman and members of the Board, all meetings of the Board during 2021/22 were held virtually. As the Board was set up under separate legal provision from the other County Council Committees, there is no legal requirement for meetings to be held in person.

Work Programme

At their July 2021 meeting, the Board agreed their annual report for the 2020/21 financial year. The agenda also included the standard items of the draft minutes of the most recent Pension Fund Committee, the Review of the Annual Business Plan, the Risk Register and the Administration Report. The Board continued to express their concerns about the levels of skills and knowledge on the Committee, reflecting the fact that there were 6 new members on the Committee, reflecting the new Constitution and the changes as a result of the May 2021 election results. The Board were keen to see the development of a comprehensive training programme for the new Committee. The July meeting also received a report on the investment management fees paid by the Fund over the last 3 years alongside information on investment performance during this period. The Board noted the complexity of the information presented and encouraged the Committee to review the information to ensure they were receiving value for money in respect of the fees paid to active managers.

The October Board meeting was the first attended by the new members Elizabeth Griffiths and Marcia Slater. The Board considered the actions agreed by the Pension Fund Committee in response to the Independent Governance Review. In particular, the Board asked for clarifications in respects of the new Fund specific Conflicts of Interest Policy, and how it related to their role as scheme member and scheme employer representatives. The Board again highlighted the importance of a comprehensive training programme and welcomed the proposal for robust arrangements to ensure adherence to the training policy.
The Board received the first report produced in line with the Taskforce for Climate-related Financial Disclosures (TCFD) template. The Board offered their congratulations to the Officers both for producing the report in advance of the statutory requirements and for the positive results set out in the report. As part of their review of the standard items on the annual Business Plan, Risk Register and Administration Report, the Board suggested amendments to the Risk Register to reflect the potential loss of skills and knowledge given the turnover of Board membership.

The January meeting of the Board focused on the standard items associated with the Annual Business Plan, Risk Register and Administration Report. The Board considered the initial priority areas identified as part of the initial planning for the workshop on the 2022/23 Business Plan and asked that cyber security be added to the list of priorities. The Board also suggested amendments to the Risk Register to ensure this properly reflected the risks related to cyber security.

The April meeting of the Board received the standard items in respect of the Annual Business Plan, Risk Register and Administration Report. The main concerns raised by the Board under these items were the on-going issues of recruiting sufficient skilled and experienced staff to work in the Pensions Administration Teams, particularly in light of the increasing pressures associated with McCloud.

The April meeting also considered the new Engagement Policy aimed to provide robust timelines around moving all investee companies to become Paris aligned, starting with the Climate Action 100+ companies who are responsible for around 80% of the current emissions. The Board noted the role played by Alistair Bastin as the Board's representative on the Climate Change Working Group.

Finally the April meeting reviewed two exempt reports received by the Committee relating to operational policy decisions to provide assurance that the Committee were acting in accordance with their statutory responsibilities.

Future Work Programme

A key area for the Board to consider during 2022/23 will be the tri-ennial valuation of the Fund as 31 March 2022. The Board will be invited to feed in comments into the review of the Funding Strategy Statement which will determine the principles to be followed in the valuation.

The Board will also maintain its focus on the standard administration report, review of the annual business plan and the risk register to ensure that the Committee is able to meet its statutory duties. A key element of this will be for the Board to review the long awaiting Government consultation on the future of the LGPS which is expected later in 2022, and due to cover the future direction of pooling, climate related reporting, McCloud and the levelling up agenda.

The Board will maintain its focus on the future Governance arrangements for the Fund and will work closely with the new Governance and Communications Team Leader to review the existing governance arrangements in light of best practice and the Government's response to the Good Governance Review undertaken by Hymans Robertson for the Scheme Advisory Board.

Finally the Board will continue to be involved in the implementation of the Fund's Climate Policy and the Climate stocktake to be undertaken by the Brunel partnership.

Board Members Training 2021/22 **Appendix**

Alistair Bastin	Unison South East LGPS Forum	29 April 2021
Alistair Bastin	Unison South East LGPS Forum	6 August 2021
Alistair Bastin	Brunel Investor Day – Session 2	6th October 2021
Alistair Bastin	LAPFF Conference	8th to 10th December 2021
Alistair Bastin	LGPS Governance Conference	20th to 21st January 2022
Alistair Bastin	Unison South East LGPS Forum AGM	3 March 2022
Angela Priestley-Gibbins	Brunel Investor Day - Session 2	6th October 2021
Elizabeth Griffiths	Brunel Investor Day - Session 1	27th September 2021
Elizabeth Griffiths	Brunel Investor Day - Session 2	6th October 2021
Marcia Slater	Fundamentals training - Day 2	9th November 2021
Marcia Slater	Fundamentals training - Day 3	2nd December 2021
Marcia Slater	LGPS Governance Conference	20th to 21st January 2022
Stephen Davis	Brunel Investor Day - Session 2	6th October 2021
Stephen Davis	LAPFF Conference	8th to 10th December 2021

Statement of Responsibilities for the Pension Fund

The County Council's Responsibilities

The County Council is required to:

- make arrangements for the proper administration of the financial affairs of the Pension Fund and to ensure that one of its officers has the responsibility for the administration of those affairs. For the County Council, that officer is the Director of Finance;

- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Pension Fund Committee has examined the Pension Fund accounts and authorised the Chairman to approve them on its behalf.

The Responsibilities of the Director of Finance

The Chief Finance Officer is responsible for the preparation of the Pension Fund's accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Finance has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Director of Finance has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

LORNA BAXTER
Director of Finance

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF OXFORDSHIRE PENSION FUND ON THE PENSION FUND FINANCIAL STATEMENTS

SCHEME MANAGEMENT & ADVISORS

Administering Authority	Oxfordshire County Council County Hall Oxford OX1 1ND
Administrator	Director of Finance
Pension Fund Committee County Council Members 2021/22 Membership	Cllr Bob Johnston (Chairman) Cllr Kevin Bulmer(Deputy Chairman) Cllr Nick Field-Johnson Cllr Richard Webber Cllr I.U. Edosomwan Cllr Sally Povolotsky Cllr Eddie Reeves
Representatives of District Councils	Cllr Alaa Al-Yousuf (WODC) Cllr Jo Robb (SODC)
Representatives of Scheme Employers	Alistair Fitt (Oxford Brookes University) Shelley Cook (Academy Sector) Alan Staniforth (Academy Sector)
Scheme Member Representative	Steve Moran
Independent Investment Adviser	Philip Hebson MJ Hudson
Fund Managers	Adams Street Partners Brunel Pension Partnership Legal & General Investment Management Partners Group Insight Investment Management
Internally Managed Funds	Listed Private Equity
Actuary	Hymans Robertson
Auditor	Ernst & Young LLP
AVC Provider	Prudential Assurance Company Ltd
Custodian	State Street Bank and Trust Company
Legal Advisers	Oxfordshire County Council Legal Services
Bankers	Lloyds Bank Plc

HOW THE SCHEME OPERATES

♦ Legal Framework

The Local Government Pension Scheme is a statutory, funded defined benefit pension scheme. The operation of the Oxfordshire County Council Pension Fund is principally governed by the Local Government Pension Scheme Regulations 2013 [as amended] (effective from April 2014).[1] The scheme covers eligible employees and employees of other bodies eligible to be employers in the Scheme. A list of all those bodies with employees currently participating in the Scheme is shown on pages 13 to 17.

This career average revalued earnings (CARE), defined benefit scheme provides benefits related to actual salary for its members and the benefits are unaffected by the investment return achieved on the Scheme's assets. 'CARE' benefits build up each year with annual revaluation while pensions paid to retired employees, their dependents, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. Since 2011 the amount is based the Consumer Price Index (CPI).

All active LGPS members at 31 March 2014 were transferred to the new LGPS for 1 April 2014. Their final salary benefits linked to the final pay definitions of the previous regulations continue while accrual of membership stopped at 31 March 2014.
Pension Investment and Administration is governed by Her Majesty's Customs and Revenue Office (HMRC) setting out personal maximum values of benefit and reporting structures for schemes.

♦ Contributions

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The surplus of contributions and investment income over benefits being paid is invested.

The contribution from employees is prescribed by statute at rates between 5.5% and 12.5% of pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The contribution rate reflects an employer experience, the fund deficit or surplus and is the rate at which employers need to contribute to achieve a 100% funding level projected over 22 years.

Contribution rates for 2021 - 2022 were based on the completed valuation of the Scheme's financial position as at 31 March 2019 and are shown on pages 13 to 17.

♦ Benefits

The benefits payable under the Scheme are laid down by the 2013 Regulations. Pension payments are guaranteed and any shortfall is met through the Pension Fund linked to employer contribution rates set by the fund valuation. The Scheme is a 'defined benefit scheme and provides a pension based on 1/49th of pensionable pay each year of membership with annual revaluation, adjusted in line with CPI. A Summary of Benefits is shown on pages 95 to 97.

Overriding legislation

The LGPS exists within rules laid down by HMRC. These provide time limits for benefit payments and also on the member limits to the amount of pension built up within a year and within a lifetime. At retirement a member has to declare any other benefits, not just from the LGPS but all pension provision, to

[1] From 01 April 2014 new LGPS have introduced a new scheme. This is still a defined benefit scheme which is now based on Career Average Revalued Earnings (CARE)

ensure all benefits are within this limit. A tax charge is imposed if this limit is exceeded or if the member fails to make the declaration. Members can convert a portion of their annual pension to provide a larger tax free lump sum at retirement.

The limits an individual can build up in a year and a lifetime are set by HMRC with additional reporting timetables for fund administration.

♦ Adjudication of Disagreements Procedure

The first stage of a dispute is, generally, looked at by the claimants' employer. The second stage referral is to the County Council and the Appointed Person. For information please contact the Pension Services Manager.

PARTICIPATING EMPLOYERS

Scheduled Bodies	Contribution Rate Payroll % 2021/22	Additional Monetary Amount 2021/22
Abingdon & Witney College	19.0%	-
Abingdon Learning Trust	21.9%	-
Abingdon Town Council	21.7%	-
AcerTrust MAT	21.1%	-
Activate Learning Education Trust	20.5%	-
Activate Learning	20.4%	-
Adderbury Parish Council	21.7%	-
Ambrosden Parish Council	21.7%	-
Anthem School Trust	21.1%	-
Aspirations Academy Trust	23.7%	-
Banbury Town Council	21.7%	-
Benson Parish Council	21.7%	-
Berinsfield Parish Council	21.7%	-
Bernwode School Trust	21.4%	-
Bicester Town Council	21.7%	-
Blackbird Leys Parish Council	21.7%	-
Bloxham Parish Council	21.7%	-
Burford School	23.3%	-
Carterton Town Council	21.7%	-
Chalgrove Parish Council	21.7%	-
Cherwell District Council	15.9%	-
Chinnor Parish Council	21.7%	-
Chipping Norton Town Council	21.7%	-

Scheduled Bodies (cont)	Contribution Rate Payroll % 2021/22	Additional Monetary Amount 2021/22
Cholsey Primary School (OPEN)	18.0%	-
Cumnor Parish Council	21.7%	-
Didcot Town Council	21.7%	-
Drayton Parish Council	21.7%	-
Europa School	18.0%	-
Eynsham Parish Council	21.7%	-
Eynsham Partnership	21.8%	-
Faringdon Academy	21.2%	-
Faringdon Town Council	21.7%	-
GEMS Didcot Primary Academy	18.0%	-
Gillots Academy	18.0%	-
GLF- William Morris	18.1%	-
Goring Parish Council	21.7%	-
Gosford & Water Eaton Parish Council	21.7%	-
Henley College	21.4%	-
Henley on Thames Town Council	21.7%	-
Heyford Park Parish Council	21.7%	-
Kennington Parish Council	21.7%	-
Kidlington Parish Council	21.7%	-
Kingston Bagpuize with Southmoor Parish Council	21.7%	-
Ladygrove Park Primary School	18.0%	-
Langtree Academy	18.0%	-

List of Participating Employers continues on next page...

PARTICIPATING EMPLOYERS

Scheduled Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
Leafield Parish Council	21.7%	-
Littlemore Parish Council	21.7%	-
Long Hanborough Parish Council	21.7%	-
MacIntyre Academy Trust	14.9%	-
Maiden Erlegh Trust	18.0%	-
Marcham Parish Council	21.7%	-
Milton Parish Council	21.7%	-
Nettlebed Parish Council	21.7%	-
North Hinksey Parish Council	21.7%	-
Old Marston Parish Council	21.7%	-
Oxford Brookes University	14.8%	-
Oxford City Council	16.2%	-
Oxford Diocesan Trust	20.5%	-
Oxford Direct Services	16.2%	-
Oxfordshire County Council	19.9%	-
Propeller Academy Trust	19.8%	-
Radcliffe Academy Trust	17.2%	-
Radley Parish Council	21.7%	-
Ramsden Parish Council	21.7%	-
Ridgeway Education Trust	22.1%	-
Risinghurst & Sandhills Parish Council	21.7%	-
River Learning Trust	19.9%	-
Rotherfield Greys Parish Council	-	-

Scheduled Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
Rotherfield Peppard Parish Council	-	-
Sandford St Martin Parish Council	21.7%	-
Sonning Common Parish Council	21.7%	-
South Oxfordshire District Council	16.3%	411,000
Spelsbury Parish Council	21.7%	-
St Johns Academy Trust	21.7%	-
Stonesfield Parish Council	21.7%	-
Sutton Courtenay Parish Council	21.7%	-
Thame Partnership Academy Trust	21.3%	-
Thame Town Council	21.7%	-
The Gallery Trust	17.7%	-
The Merchant Taylors Oxfordshire Academy School Trust	19.4%	-
The Mill Academy Trust	22.2%	-
The Pope Francis MAC	22.5%	-
United Learning Trust	16.0%	-
Vale Academy Trust	21.1%	-
Vale of the White Horse District Council	16.3%	767,000
Wallingford Town Council	21.7%	-
Warriner MAT	21.9%	-
West Oxfordshire District Council	17.6%	605,000
Wheatley Parish Council	-	-
Whitchurch Parish Council	-	-

List of Participating Employers continues on next page...

PARTICIPATING EMPLOYERS

Scheduled Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
Willowcroft Academy Trust	17.4%	-
Witney Town Council	21.7%	-
Woodstock Town Council	21.7%	-
Wootton Parish Council	21.7%	-
Admitted Bodies		
A2 Dominion	16.3%	-
All Care (GB) Ltd	19.9%	-
Alliance in Partnership Limited	22.2%	-
Alliance in Partnership Limited – The Cooper School (Bicester Learning Academy) catering	21.4%	-
APCOA Parking (UK) Ltd	28.3%	12,000
Aspens Services Limited – Pope Francis Multi Academy Company (St Gregory the Great Secondary School and St Joseph's Primary School, Thame, (catering contract)	23.5%	-
Banbury Museum Trust	16.3%	-
Barnardos	32.8%	-
Calber Facilities Management Limited – Caldecott Primary School, Abingdon (cleaning contract)	19.9%	-
Capita	-	-
Cara Services Limited	23.7%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
Caterlink Limited – Acer Trust (Botley School, Oxford) (catering contract)	21.1%	
Cater Link Limited – Dominic Barberi Multi Academy Company (catering contract)	21.9%	-
Caterlink Ltd – Oxford Diocesan Schools Trust (St Frideswide CofE Primary School) (catering contract)	20.5%	-
Cater Link – United Learning Trust (catering contract)	16.0%	-
Charter Community Housing	37.3%	131,000
Chartwells – GLF (Aureus Secondary School, Didcot) catering contract	18.1%	-
Chartwells – GLF (Aureus Primary School and Aureus School, Didcot) (catering contract)	18.1%	-
Clarendon Limited – Clanfield Church of England Primary School (cleaning contract)	19.9%	-
Culinera Ltd – River Learning Trust (The Swan School) (catering contract)	19.9%	-
Direct Cleaning Services – Abingdon Learning Trust (John Mason School) (cleaning contract)	21.9%	-
Dolce Limited at Eynsham Partnership Academy (Eynsham Primary School) (catering contract)	21.8%	-
Dolce Limited – River Learning Trust (Lots 6 and 7) (catering contract)	19.9%	

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Admitted Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
Ecocleen Services Limited – Vale Academy Trust (King Alfred's School, Wantage) (cleaning contract)	21.1%	-
Edwards and Ward (Banbury Dashwood Academy)	23.7%	-
Edwards and Ward (Benson C.E. Primary School)	19.9%	-
Edwards & Ward – River Learning Trust Lot 1 (The Oxford Academy and Wheatley Park School) (catering contract)	19.9%	-
Edwards & Ward – River Learning Trust Lot 2 (Chipping Norton School) (catering contract)	19.9%	-
Edwards and Ward – River Learning Trust (Rose Hill Primary School) (catering contract)	19.9%	-
Edwards and Ward (St Andrews C.E. Primary School)	19.9%	-
Edwards & Ward (Sutton Courtenay C of E Primary) catering contract	19.9%	-
Edwards & Ward - Vale Academy Trust	21.1%	-
Energy Kidz (John Hampden)	19.9%	-
Fresh Start Ltd (Bloxham School contract)	19.9%	-
Fresh Start Ltd (St Mary's Catholic Primary School Bicester)	19.9%	-
Fusion Lifestyle	16.2%	-
Greenwich Leisure Limited	16.3%	-
Groundwork South	19.9%	-
Hayward Services Limited – Ridgeway Education Trust (St Birinus School, Didcot) (cleaning contract)	22.1%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
HF Trust Limited (Lot 5)	23.8%	-
HF Trust Limited (Lot 8)	26.1%	9,000
Hill End Outdoor Education Centre	25.7%	-
Intelligent Workplace Solutions Ltd	21.9%	
KGB Cleaning South West Limited	21.8%	-
Maid Marions Ltd- Faringdon Academy of Schools	21.2%	-
Maid Marions Limited – The Warriner Multi Academy Trust (Warriner School) (cleaning contract)	21.9%	-
Maid Marions Ltd (02) at Warriner MAT (Warriner School)	21.9%	-
M Group Services	19.9%	-
Order of St John's Care Trust (Oxford)		
Oxford Archaelogical Unit	16.3%	-
Oxford Community Work Agency	16.3%	-
Oxfordshire LEP	19.9%	-
Oxfordshire South & Vale Citizens Advice Bureau	0.0%	-
PAM Wellbeing Ltd	19.9%	-
Publica	17.6%	-
Rapid Clean - Stockham Primary School	19.9%	-
Rapid Commercial Cleaning Ltd	19.9%	-
Regency Cleaning Services Ltd - Caldecott Primary School, Abingdon	19.9%	-

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Admitted Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
Regency Cleaning Services Limited – Meadowbrook College (Radcliffe Academy Trust) cleaning contract	17.2%	-
Saba Park Services	26.5%	24,000
School Lunch Company (Bishop Loveday CE Primary School)	21.9%	-
School Lunch Company – Bure Park Primary School (catering contract)	19.9%	-
School Lunch Company (Great Milton CofE Primary School)	19.9%	-
School Lunch Company (North Hinksey CE Primary School)	20.5%	-
School Lunch Company (Orchard Fields)	19.9%	-
School Lunch Company (The Batt CE Primary School, Witney)	20.5%	-
School Lunch Company – The Blake CofE Primary School, Cogges	20.5%	-
School Lunch Company (St Kenelm's C of E Primary School	19.9%	-
School Lunch Company (St Mary's CofE Infant School, Witney (Cleaning) ODST	20.5%	-
School Lunch Company (St Michael's CofE Primary School, Oxford)	19.9%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2021/22	Contribution Rate Additional Monetary Amount 2021/22
School Lunch Company (St Nicolas CofE Primary School, Abingdon)	19.9%	-
School Lunch Company (Windmill Primary School, Oxford) catering contract	19.9%	-
School Lunch Company (Wroxton CofE Primary School)-ODST	20.5%	-
School Lunch Company (Wychwood CE Primary School)	19.9%	-
School Space Limited – Heyford Park Free School (facilities letting contract)	18.0%	-
Swalcliffe Park School Trust	16.3%	-
Thames Valley Partnership	16.3%	-
The Camden Society - Lot 1	19.9%	-
The Camden Society - Lot 2	19.9%	-
The Camden Society - Lot 3	19.9%	-
The Camden Society - Lot 6	19.9%	-
UBICO Limited	17.6%	-
Vale Capita	-	-
West Oxon Citizens Advice Bureau	16.3%	-
Yorkshires Cleaning Service Ltd – ODST (St Christopher's CofE Primary School, Cowley, Oxford) (cleaning contract)	20.5%	-

List of Participating Employers continues on next page…

Governance

Conflicts of Interest

All councillors and co-opted members are required to register any disclosable pecuniary interests. In preparing the year-end statement of accounts checks are made for any potential related party transactions using the interests declared by Councillors on the Pension Fund Committee.

The Governance Compliance Statement which details the degree of compliance with best practice is available on the Council's public website.

Pension Fund Committee

Committee Membership and Attendance 2021/22

Councillor	11-Jun-21	10-Sep-21	12-Nov-21	03-Dec-21	04-Mar-22
County Councillors;					
Councillor B Johnston (on committee since June 2021)	✓	✓	✓	✓	✓
Councillor K Bulmer (on committee since May 2017)	✓	✓	✓	✓	✓
Councillor N Field-Johnson (on committee since May 2017)	✓	✓	✓	✓	✓
Councillor I U Edosomwan (on committee since May June 2021)	✓	✓	✓	✓	✓
Councillor R Webber (on committee since June 2021)	✓	✗	✗	✓	✗
Councillor E Reeves (on committee since March 2022)	n/a	n/a	n/a	n/a	✗
Councillor S Povolotsky (on committee since March 2022)	n/a	n/a	n/a	n/a	✓
District Councillors;					
Councillor J Robb (on committee since September 2019)	✗	✓	✗	✓	✓
Scheme Employers;					
Alistair Fitt (Oxford Brookes University) (on committeee since June 2021)	✓	✓	✓	✓	✓
Shelley Cook (Academy Sector) (on committee since September 2021)	n/a	✓	✗	✓	✗
Alan Staniforth (Academy Sector) (on committee since September 2021)	n/a	✓	✗	✓	✗

Committee Members Training Received 2021/22

Councillor	**Date**	**Training Course**
County Councillors;		
Councillor B Johnston	10-Sep-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements
	27-Sep-21	Brunel Investor Day - Session 1
	06-Oct-21	Brunel Investor Day - Session 2
	15-Feb-22	LGPS Online Learning Academy Module 1 - An Introduction to the LGPS
	21-Feb-22	LGPS Online Learning Academy Module 2 - LGPS Governance & Oversight Bodies
	22-Feb-22	LGPS Online Learning Academy Module 3 - Administration & Fund Management
	23-Feb-22	LGPS Online Learning Academy Module 4 - Funding & Actuarial Matters
	24-Feb-22	LGPS Online Learning Academy Module 5 - Investments
	07-Mar-22	LGPS Online Learning Academy Module 6 - Current Issues
Councillor K Bulmer	10-Sep-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements
	27-Sep-21	Brunel Investor Day - Session 1
	06-Oct-21	Brunel Investor Day - Session 2
	27-Jan-22	LGPS Online Learning Academy Module 1 - An Introduction to the LGPS
	27-Jan-22	LGPS Online Learning Academy Module 2 - LGPS Governance & Oversight Bodies
	31-Jan-22	LGPS Online Learning Academy Module 3 - Administration & Fund Management
	02-Feb-22	LGPS Online Learning Academy Module 4 - Funding & Actuarial Matters
	02-Feb-22	LGPS Online Learning Academy Module 5 - Investments
	02-Feb-22	LGPS Online Learning Academy Module 6 - Current Issues
	05-06/07/2021	LAPF Strategic Investment Forum
Councillor N Field-Johnson	10-Sep-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements
	27-Sep-21	Brunel Investor Day - Session 1
	06-Oct-21	Brunel Investor Day - Session 2
	27-Jan-22	LGPS Online Learning Academy Module 1 - An Introduction to the LGPS
	27-Jan-22	LGPS Online Learning Academy Module 2 - LGPS Governance & Oversight Bodies
	28-Jan-22	LGPS Online Learning Academy Module 3 - Administration & Fund Management

	28-Jan-22 29-Jan-22 30-Jan-22	LGPS Online Learning Academy Module 4 - Funding & Actuarial Matters LGPS Online Learning Academy Module 5 - Investments LGPS Online Learning Academy Module 6 - Current Issues
Councillor I U Edosomwan	10-Sep-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements
Councillor E Reeves	12-Oct-21 09-Nov-21 02-Dec-21 08-10/12/2021	LGA Fundamentals - Day 1 LGA Fundamentals - Day 2 LGA Fundamentals - Day 3 LAPFF Conference
District Councillors;		
Councillor J Robb	10-Sep-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements
Scheme Employers;		
A Fitt (Oxford Brookes Academy)	10-Sep-21 06-Oct-21 12-Oct-21 09-Nov-21 02-Dec-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements Brunel Investor Day - Session 2 LGA Fundamentals - Day 1 LGA Fundamentals - Day 2 LGA Fundamentals - Day 3
S Cook (Academy Sector)	10-Sep-21 09-Nov-21 02-Dec-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements LGA Fundamentals - Day 2 LGA Fundamentals - Day 3
A Staniforth (Academy Sector)	10-Sep-21	Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements
Scheme Member Rep;		
S Moran	24-May-21 10-Sep-21 27-Sep-21 06-Oct-21 12-Oct-21 09-Nov-21 02-Dec-21	Pension Fund Committee Member Induction Faith Ward, Chief Responsible Investment Officer, Brunel PP -Investments in equities – active v passive and options to meet our climate change requirements Brunel Investor Day – Session 1 Brunel Investor Day - Session 2 LGA Fundamentals - Day 1 LGA Fundamentals - Day 2 LGA Fundamentals - Day 3

Members that have been on the Pension Fund Committee in previous financial years will have attended training events in those years in addition to the training undertaken in the current financial year.

Risk Management

Internal Risk Management

Officers operate within the financial procedures and control environment of the Administering Authority. These are regularly audited by internal and external audit.

The Council's Internal Audit function undertook a review of the Pension Administration operations in 2019/20 with an overall conclusion of 'G' (There is a strong system of internal control in place and risks are being effectively managed. Some minor action may be required to improve controls.). There were four management actions resulting from the audit findings which are being addressed. The Pension Investments function was also subject to an internal audit during 2019/20. The overall conclusion was 'A' (There is generally a good system of internal control in place and the majority of risks are being effectively managed. However, some action is required to improve controls). There were four management actions resulting from the audit findings which are being addressed.

The Pension Fund Committee is responsible for the prudent and effective stewardship of the Oxfordshire County Council Pension Fund. As part of this duty the Committee oversees the monitoring and management of risk. This role includes:
- Determining the risk management policy and reconciling this with wider organisational risk policy
- Setting the risk management strategy in line with the risk policy
- Overseeing the risk management process

The risk management process involves: Risk identification, risk analysis, risk control and monitoring.

A key tool for the management of risk is the risk register. The register incorporates an assessment of the impact and likelihood of identified risks to give a risk score, assigns a target risk score, as well as the actions required to achieve the target score. The risk register is kept under review by the Director of Finance and is presented to the Committee on a quarterly basis. The risk register is also regularly reviewed by the Oxfordshire Local Pension Board.

Risks are identified and assessed using a scoring matrix. The scoring matrix assesses two elements of a risk:
- the chance of it happening
- the impact if it did happen

Risks are analysed between:
- Financial
- Administrative
- Governance

Each element is independently assessed on a scale of 1-5 (5 being the highest risk). These scores are then multiplied to give an overall score. The risk register lists the risks identified, the consequence of each risk occurring, the score assigned to each risk, the target score for each risk and the measures in place to address the risk. This process identifies the risks with the highest scores, and those furthest away from their targets, which are then closely monitored.

The table below details the highest scoring risks from the most recent version of the risk register for the Fund (a copy of the full risk register is available in the Pension Fund Committee papers for June 2022 which is on the Council's public website).

Officers are mindful of risk in carrying out their duties on a day to day basis and any significant risks identified are reviewed and managed through processes and controls accordingly. The Pensions teams have regular team meetings through which any operational risks can be discussed and dealt with appropriately.

Summary of Key Risks identified on the Pension Fund Risk Register

Risk	Cause	Impact	Likeli-hood	Risk Score	Actions Required
Governance					
Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Poor training programme	4	2	8	Training Programme put in place on review of new Committee requirements.
Insufficient Skills and Knowledge amongst Board Members	Turnover of Board Membership	4	2	8	Training Programme in place and targeted to gaps in skills and knowledge of Board.
Administrative					
Insufficient Resource and/or Data to Comply with Consequences of McCloud Judgement	Significant requirement to retrospectively re-calculate member benefits	4	3	12	Establish project plan. Respond to consultation and work with SAB to seek guidance on mitigating key risks where data not available. Look to bring in additional resources.

Third Party Risk Management

The Pension Fund Committee receive quarterly investment performance reports and receive regular updates from Fund Managers which provide an opportunity to ensure their strategies are in line with expectations and to discuss any risks the Committee is concerned about. Officers also have regular meetings with the Independent Financial Advisor and Fund Managers through which performance is reviewed and key issues are discussed.

The Fund's investment managers and its custodian issue annual internal control reports prepared by their auditors. For fund managers, auditors typically issue a report based on the Statement on Standards for Attestation Engagements (SSAE 16) in North America, or Audit & Assurance Faculty (AAF 01/06) in the UK. The International Auditing & Assurance Standards Board (IAASB) has also developed the International Standard on Assurance Engagements (ISAE 3402) as a global standard of reporting, for use from 2012. These documents identify internal processes and procedures, and details of the audit testing performed on them during the year. The reports are reviewed annually by the pension investments team and are used to gain assurance that the third parties' internal controls are sufficient and are operating effectively. Any concerns are discussed with the third parties to ensure corrective action is being taken where weaknesses are identified.

The following reports were received and reviewed:

Company	Report Type	Reporting Period End	Auditor
Adams Street Partners	SSAE 16	30 September 2021	KPMG
Partners Group	ISAE 3402	31 December 2021	PricewaterhouseCoopers
State Street Bank & Trust Company (Custodian)	ISAE 3402	31 March 2022	Ernst & Young
Insight Investment Management	SSAE 18 / ISAE 3402	30 September 2021	KPMG
Legal & General Investment Management	AAF 01/06 / ISAE 3402	31 December 2021	KPMG

The pension investment team analyse and reconcile valuation information provided by the custodian to that of the investment manager and follow up any significant variations. The custodian also undertakes a monthly reconciliation between its records and those of funds managers and is required to investigate and report the reasons for any significant variances.

The fund's Independent Investment Advisor monitors the market and the activities of investment managers and informs officers if there are any concerns, such as changes in key staff.

Scheme Administration and Administration Performance

The Pension Services team is responsible for all scheme member benefit administration. This involves liaising with all scheme employers to receive monthly and end of year data returns, checking this information prior to loading this on to the pension system.

Once data is loaded the team can then calculate and process queries and benefit payments to scheme members.

Data assurance comes from internal checks; process review; and internal and external audit reviews.

Scheme Communications are detailed in the Communication Strategy which details types and methods of communication used to reach all fund's stakeholders. This is underpinned by the Pension Fund pages located on the County Council's website, which contains links for following fund documents:

- Communication Policy Statement
- Annual Report and Accounts
- Triennial Valuation Report
- Investment Strategy Statement
- Funding Strategy Statement
- Governance Policy Statement
- Statements of Policy about Exercise of Discretionary Functions
- Administration Strategy

Complaints are dealt with in line with the Adjudication of Disagreements Procedure which is set out in Regulation. This is a three stage process:

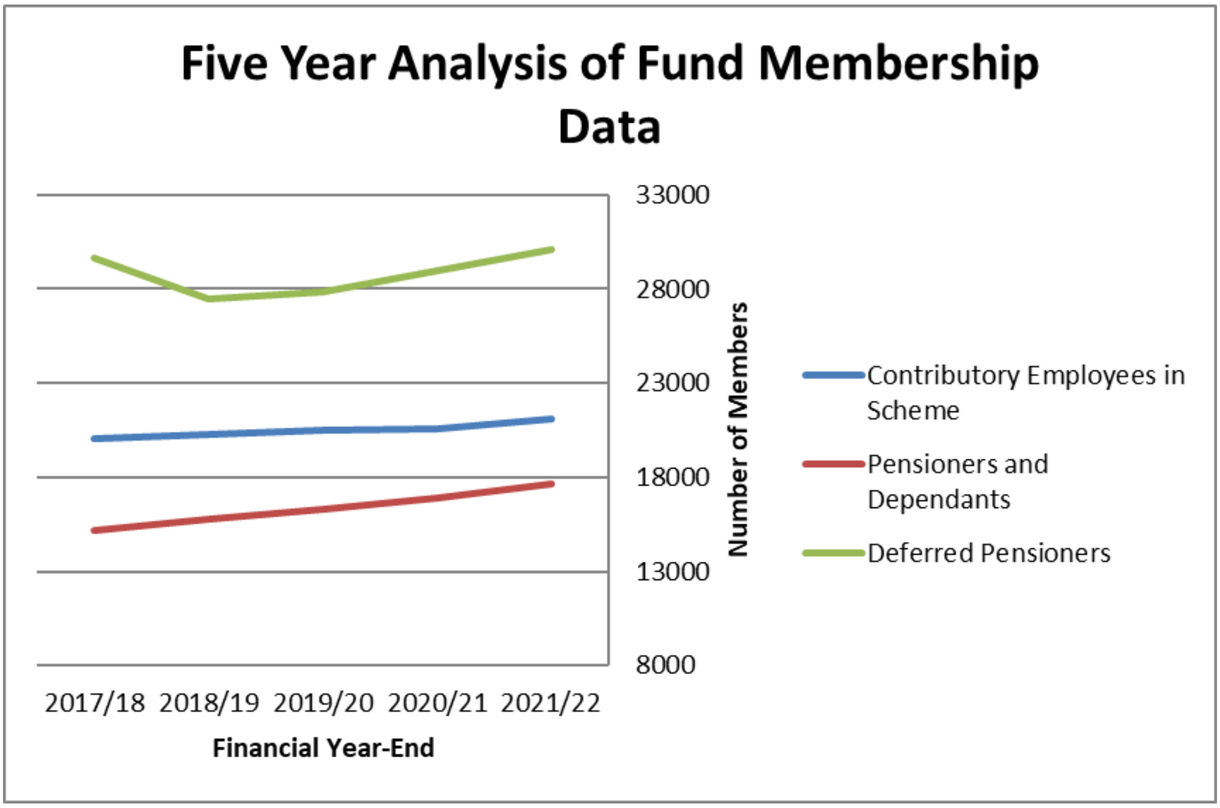
- Stage 1 – depending upon nature of complaint the Appointed Person from either the fund or scheme employer will review and provide a written determination to the points raised.
- Stage 2 – should the member be unhappy with the decision made at age 1 they have the right to ask for the Appointed Person at stage 2 to review their case.
- If, after this second independent review the member remains unhappy with the outcome they can then refer their case to the Pension Ombudsman.

The Regulations – Under the framework of overarching pension regulations The Local Government Pension Scheme is governed by statutory regulations which are the responsibility of the Ministry of Housing, Communities and Local Government.

The LGPS is applicable to staff working in the public sector, although this excludes Fire Officers, Teachers and Police Officers who have their own separate schemes. However, it will include any staff working in those areas but ineligible to join those other public sector schemes.

Members of the scheme will be employed by Oxfordshire County Council; District Councils; Town and Parish Councils; Academies, as well as private sector companies providing services on their behalf.

The fund membership over the past five years is shown below:



Note: from 2016/17 unprocessed leavers have been included as deferred pensioners.

Promotion of Scheme Membership

The fund supplies template letters for employers to incorporate within their starter / new joiner process. This information will point to the centrally provided on-line guides (www.lgps2014.org) concerning costs and benefits of the LGPS for members, and also to the scheme guides. Both the brief guide and the full detailed guide are hosted on the fund website pages (www.oxfordshire.gov.uk/lgpsmembersguide). When requested the fund will comment on employer prepared automatic enrolment notices to members, which would be sent to eligible jobholders where the LGPS is the qualifying pension saving scheme.

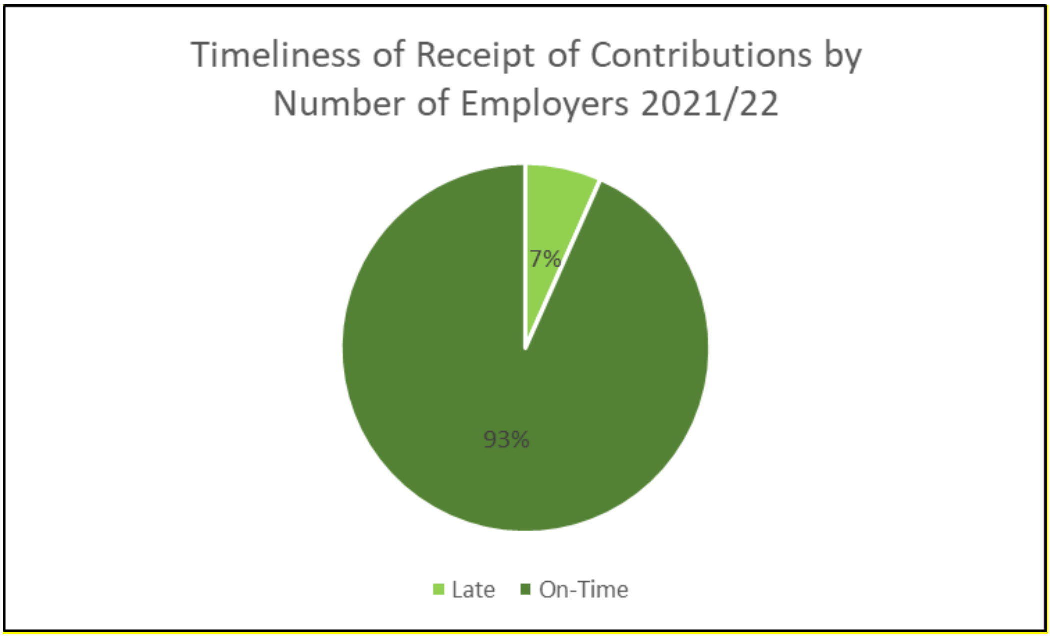
Memberships

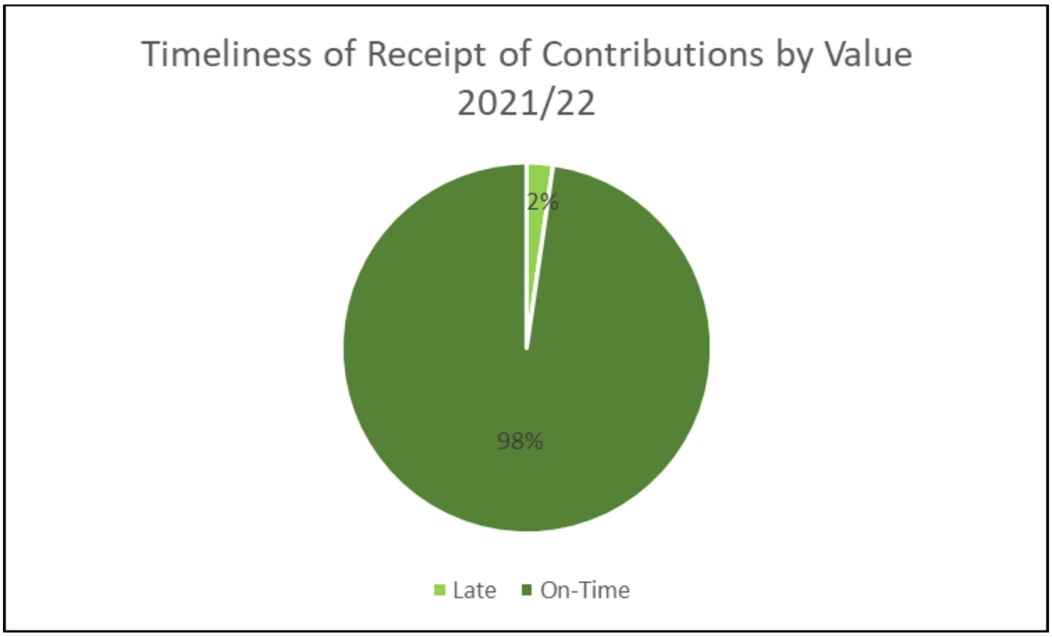
The Fund is a member of the National Association of Pension Funds, Local Authority Pension Fund Forum, Institutional Investors Group on Climate Change, Climate Action 100+, and subscribes to the CIPFA Pensions Network.

Financial Performance

Contributions

Payment of contributions from employers is monitored on a monthly basis as they fall due. Reconciliations are undertaken between contributions received and those expected with any discrepancies followed up with the employer. Late payments are immediately followed up with employers to request payment. If contribution payments are repeatedly late the issue is escalated and a letter is sent to employers. Fines are also issued in accordance with the Administration Strategy. The graphs below illustrate the timeliness of the receipt of contributions from employers during 2021/22.





Budget

The below table shows budget for 2021/22:

	Budget £'000
Administrative Expenses	
Administrative Employee Costs	1,335
Support Services Including ICT	812
Printing & Stationary	82
Advisory & Consultancy Fees	165
Other	59
Total Administrative Expenses	**2,453**
Investment Management Expenses	
Management Fees	11,316
Custody Fees	25
Brunel Contract Costs	1,065
Total Investment Management Expenses	**12,406**
Oversight & Governance	
Investment Employee Costs	263
Support Services Including ICT	12
Actuarial Fees	190
External Audit Fees	40
Internal Audit Fees	16
Advisory & Consultancy Fees	89
Committee and Board Costs	61
Subscriptions and Memberships	58
Total Oversight & Governance Expenses	**729**
Total Pension Fund Budget	**15,588**

Investment Pooling – Brunel Pension Partnership

In 2015 the Department of Communities and Local Government (as it then was) issued LGPS:
Investment Reform Criteria and Guidance which set out how the government expected funds to establish asset pooling arrangements. The objective was to deliver:

- Benefits of scale.
- Strong governance and decision making.
- Reduced costs and excellent value for money, and
- An improved capacity and capability to invest in infrastructure.

This has led to the creation of eight asset pools which have significantly changed the previous approach to investing, although it should be stressed that the responsibility for determining asset allocations and the investment strategy remain with individual pension funds.

As a result of the investment pooling agenda, the Oxfordshire Pension Fund joined with nine other LGPS administering authorities to set up the Brunel Pension Partnership. Oxfordshire County Council approved the business case for Brunel, based on estimated potential fee savings of £550 million over a 20 year period across the ten funds, of which Oxfordshire's share was £18 million with a breakeven year of 2025. The expected costs and savings for the Oxfordshire Pension Fund, as per the original business case approved, and then submitted to Government, are set out in the following table:

	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026 to 2036	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Set up costs	117	1,041										**1,158**
Ongoing Brunel Costs			430	558	577	595	614	634	655	676	8,093	**12,833**
Clients Savings			(114)	(117)	(120)	(124)	(128)	(132)	(136)	(140)	(1,648)	**(2,658)**
Transition costs			1,231	2,315	12							**3,558**
Fee savings			(191)	(504)	(920)	(1,070)	(1,235)	(1,413)	(1,513)	(1,620)	(24,618)	**(33,084)**
Net costs / (realised savings)	**117**	**1,041**	**1,357**	**2,252**	**(452)**	**(599)**	**(748)**	**(910)**	**(994)**	**(1,084)**	**(18,173)**	**(18,194)**

Following approval of the business case, the Brunel Pension Partnership Ltd was established in July 2017, as a company wholly owned by the Administering Authorities (in equal shares) that participate in the pool. The company is authorised by the Financial Conduct Authority (FCA). It is responsible for implementing the detailed Strategic Asset Allocations of the participating funds by investing Funds' assets within defined investment portfolios. In particular, Brunel researches and selects the external managers or pooled funds needed to meet the investment objective of each portfolio.

Now that Brunel is operational, the financial performance of the pool will be monitored to ensure that Brunel is delivering on the key objectives of investment pooling. This includes reporting of the costs associated with the appointment and management of the pool company including set up costs, investment management expenses and the oversight and monitoring of Brunel by the client funds. The set up and transition costs incurred to date are set out in the following table.

	Cumulative £000s
Set up costs:	
Recruitment	18
Legal	133
Consulting, Advisory & Procurement	82
Other support Costs e.g.IT, accommodation	0
Share Purchase / Subscription Costs	840
Other Working Capital Provided e.g. loans	-
Staff Costs	-
TOTAL SET UP COSTS	**1,072**
Transition Costs:	
Transition Fee	240
Tax	833
Other Transition Costs	6,553
TOTAL TRANSITION COSTS	**7,626**

A summary of the costs and savings to date compared to the original business case is provided in the following table.

	2020/21				2021/22			
	Budget		Actual		Budget		Actual	
	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000
Set up costs	-	1,158	-	1,072	-	1,158	-	1,072
Ongoing Brunel Costs	577	1,565	1,026	2,821	595	2,160	1,083	3,904
Clients Savings	(120)	(351)	-	-	(124)	(475)	-	-
Transition costs	12	3,558	3,326	6,941	0	3,558	685	7,626
Fee savings	(920)	(1,615)	(1,531)	(2,510)	(1,070)	(2,685)	(4,064)	(6,574)
Net costs / (realised savings)	**(451)**	**4,315**	**2,820**	**8,324**	**(599)**	**3,716**	**(2,296)**	**6,028**

Investment Review 2021/22

Economic Background

The past year could be divided into a tale of the first three quarters, followed by a very different final quarter. Those first three quarters saw the continued influence of Covid-19 on the world economy, but with the focus being on recovery despite the impact of new variants hindering progress at times.

The roll out of an effective vaccination programme certainly assisted in the process of economic recovery, but new pressures started to build as the year went by. In the UK some of these pressures were partly related to Brexit, with labour shortages and supply chain issues to some degree hindering economic activity. This started to manifest itself in inflation starting to move higher, by September this had reached 3.1%, but in October jumped to 4.2%. Fiscal tightening came back onto the agenda, with interest rates just starting to be edged higher.

The final quarter started on a relatively optimistic note, because although Covid infection rates had soared again it was proving to be a lot less lethal, thanks in large part to the vaccination programme. Restrictions started to be eased, with returns to normal ways of working and living becoming possible. But storm clouds were gathering, or rather the Russian army was gathering on the borders of Ukraine. Despite that, the invasion when it came was a surprise. The economic consequences of that were immediate and regrettably will be with us for some time to come. The prices of commodities that are exported from Russia and Ukraine rose sharply, particularly oil and gas. By March inflation had risen to 7%.

In 2021, GDP rose by 6.8% in the UK, by almost 6.0% in the US, by 5.2% in the Eurozone and by 2.4% in Japan. In China, which has experienced a different Covid economic pattern due to the way that they contain it, GDP grew by 8.0%.

Market Returns

Through the three quarters of 2021 Fund values continued to rise, with developed equity markets generally making good progress. Emerging Markets struggled, mainly due to negative sentiment around China as a result of government intervention and then more Covid lockdowns, latterly impacting on the economic powerhouse of Shanghai. The first quarter of 2022 was much more difficult, with only the UK showing a positive return. The US market in particular saw a retreat in the valuations of the major growth stocks and value returned to favour. Not surprisingly Europe fared even worse in the quarter, as the direct impact of sanctions on Russia and the general uncertainty created by the invasion of Ukraine weighed heavily on sentiment.

For the purposes of this report we are reviewing the year in total, regardless of the ups and downs experienced along the way. The All-World Index recorded a total return of 12.8% for the year to March 2022, and despite the weakness seen in Q1 2022 North America was the best performing market with a return of 18%. With the relatively good performance seen through the first few months of this year, the UK returned 13%. Europe (ex UK) was muted at 3.9%. Asia Pacific (including Japan) and Emerging Markets had a difficult year, all in negative territory. Not surprisingly the strongest sectors globally were Energy and Utilities.

Bonds generally had a difficult year as inflation started rising rapidly and markets started to price in interest rate rises. The exception to this was index linked bonds, with the UK

Index Linked index rising by 4.8%. Rising bond yields in some ways are welcome, but falls in value are not.

With the gathering concerns around potential and actual increases in interest rates in some geographies, currencies moved to reflect that. In the year to March sterling fell by -5.2% against the dollar, but rose 1% against the Euro and 5% against the Yen.

UK Commercial Property showed a very strong performance (up 23.1%), reflecting the recovery in values post Covid. During the pandemic valuations reflected the uncertainties that prevailed at the time, but with the easing of restrictions achieved transactions have provided the evidence for the recovery.

The Oxfordshire Pension Fund achieved a total return of 10.4% for the year, compared with a 10.7% return on its benchmark. Despite the volatile markets seen during Q1 2022, the end of March Fund valuation was only down slightly from the high point seen in December, which will feed into the Triennial Valuation now being undertaken by the Fund actuary.

Outlook

For now, the worst of the Covid pandemic storm seems to have passed, albeit there are still virtual total lockdowns in some parts of China. It is to be hoped that vaccines continue to provide widescale protection from serious illness and that it will no longer be a major influence on economic activity.

The big issue now is dealing with the consequences of the Russian invasion of Ukraine. Apart from the obvious humanitarian disaster to contend with, there are two main economic issues, commodity supply and inflation to contend with. We are seeing countries aligned against Putin replacing Russian sources of supply elsewhere. We should expect that some other countries will happily take up supplies from Russia, which in a sense will be part of the rebalancing process.

In the meantime, inflation was already rising before the invasion and supply issues saw the prices of many commodities increase rapidly, particularly oil and gas. As the year progresses it is likely that the prices of food commodities that normally come from Russia and Ukraine will move even higher. The April CPI showed inflation now at 9%, with a strong probability that inflation across many countries will move higher, before stabilising and hopefully starting to ease.

Central banks have started to respond to rapidly rising inflation by raising interest rates and in some cases by moving to quantitative monetary tightening. How effective this will be remains to be seen, as historically they tend to move too little, too late. To be fair it is an economic tightrope walk, with attempts to rein in inflation on one hand, while not causing recession on the other.

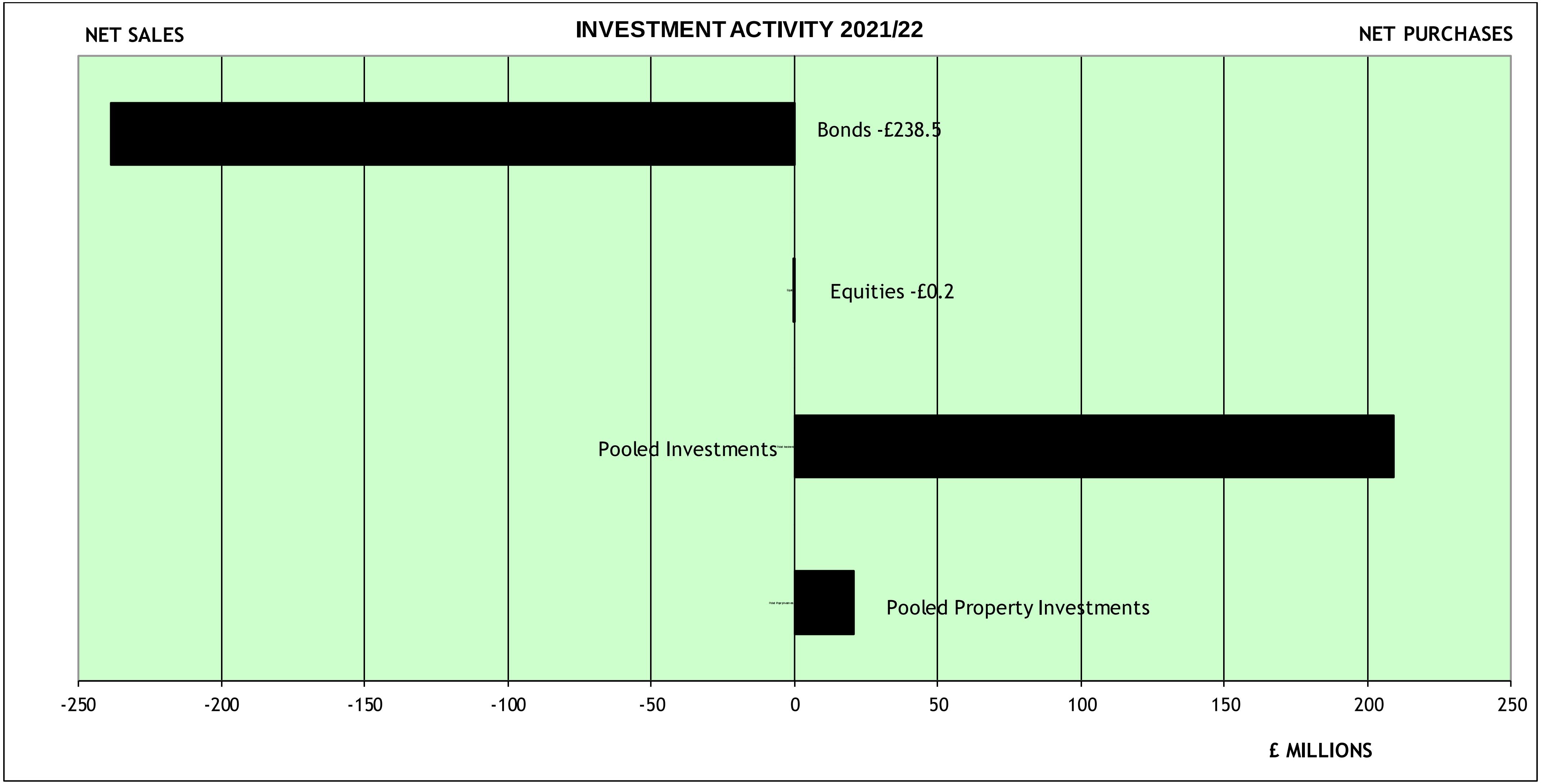
Philip Hebson
Independent Investment Advisor
June 2022

Table showing the total returns (capital plus income) in sterling terms calculated on major indices for the year to 31 March 2022.

SECTOR		**INDEX**	**% Total Returns Year to 31.3.22**
Equities	Global	FTSE All World	12.8
	UK	FTSE All Share	13.0
	North America	FTSE AW – North America	18.0
	Japan	FTSE AW - Japan	-2.3
	Europe	FTSE AW - Europe (ex UK)	3.9
	Asia Pacific (ex Japan)	FTSE AW - Asia Pacific (ex Japan)	-4.1
	Emerging Markets	FTSE AW – Emerging Markets	-3.3
Bonds	UK Government	FTSE-A Government	-5.5
	UK Index-Linked	FTSE-A Index- Linked (over 5 years)	4.8
	UK Corporate Bonds	iBoxxSterling non-Gilt All Stocks	-5.2
	Overseas	JP Morgan Global Government (ex UK) Traded Bond Index (£)	-2.4
Cash	UK	SONIA Compounded Index	0.1
Property	UK Commercial	MSCI/AREF-UK Quarterly Property Fund Index	23.1

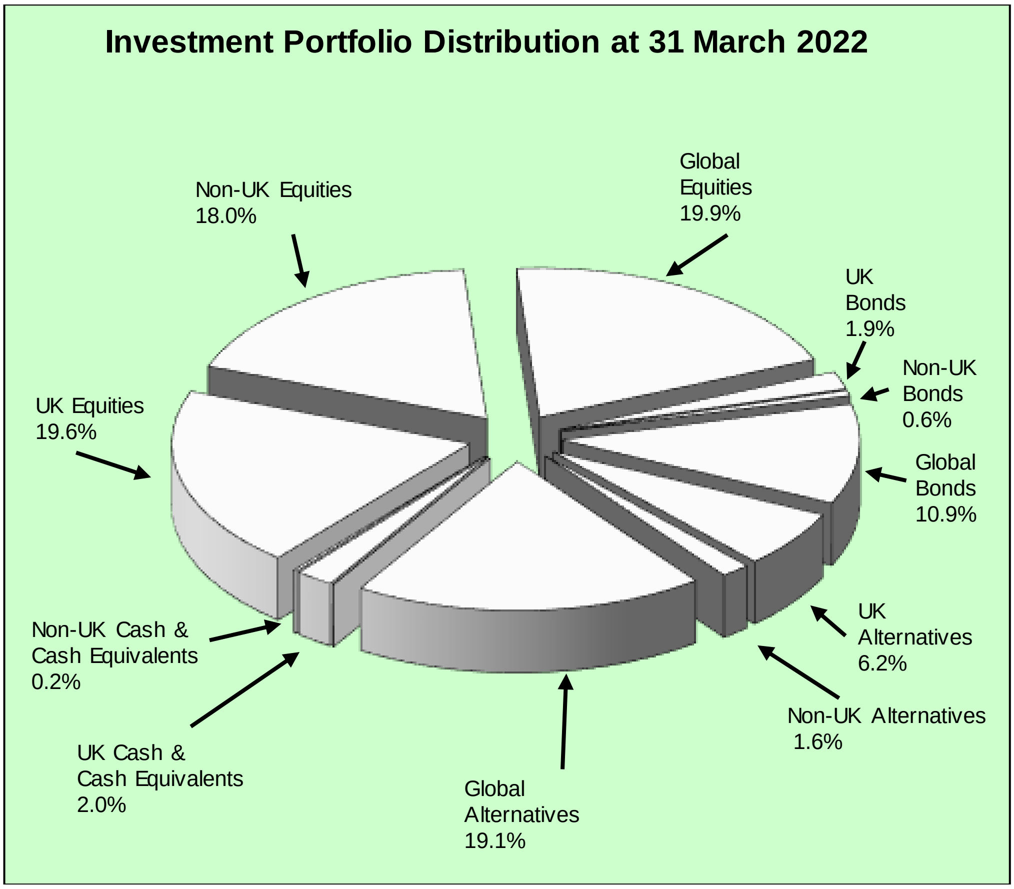
- **Investment Activity**

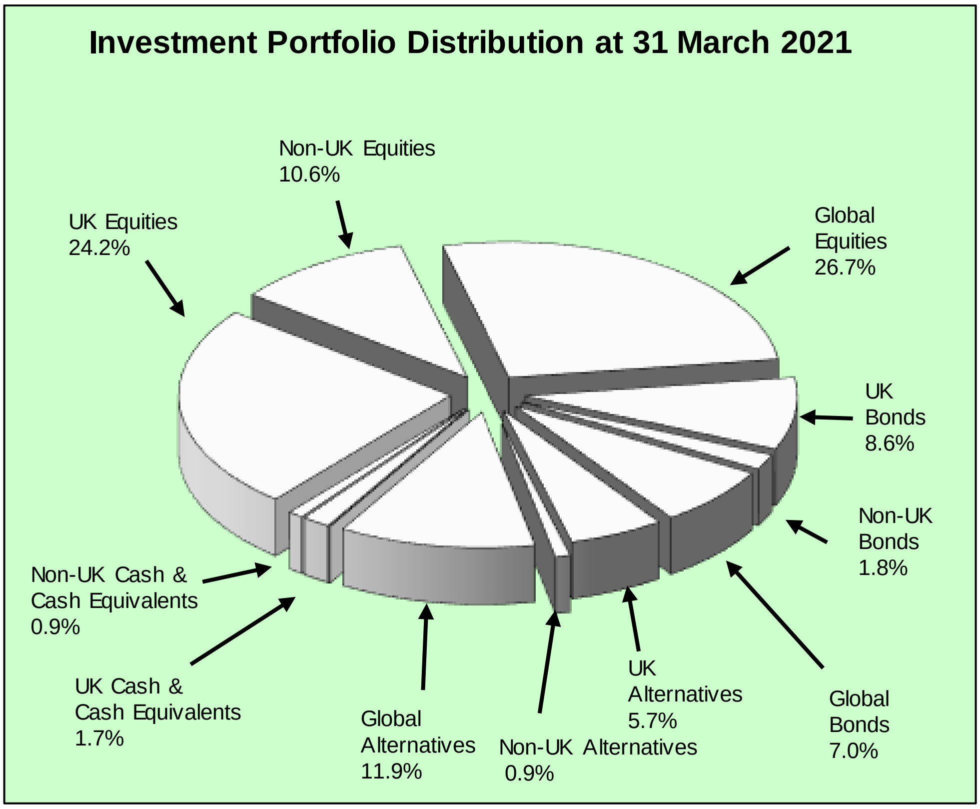
The Pension Fund disinvested a net -£9.3 million during the year ended 31 March 2023. The amounts invested or disinvested in each principal category of asset are shown in the chart below. Derivatives are not included in the chart.



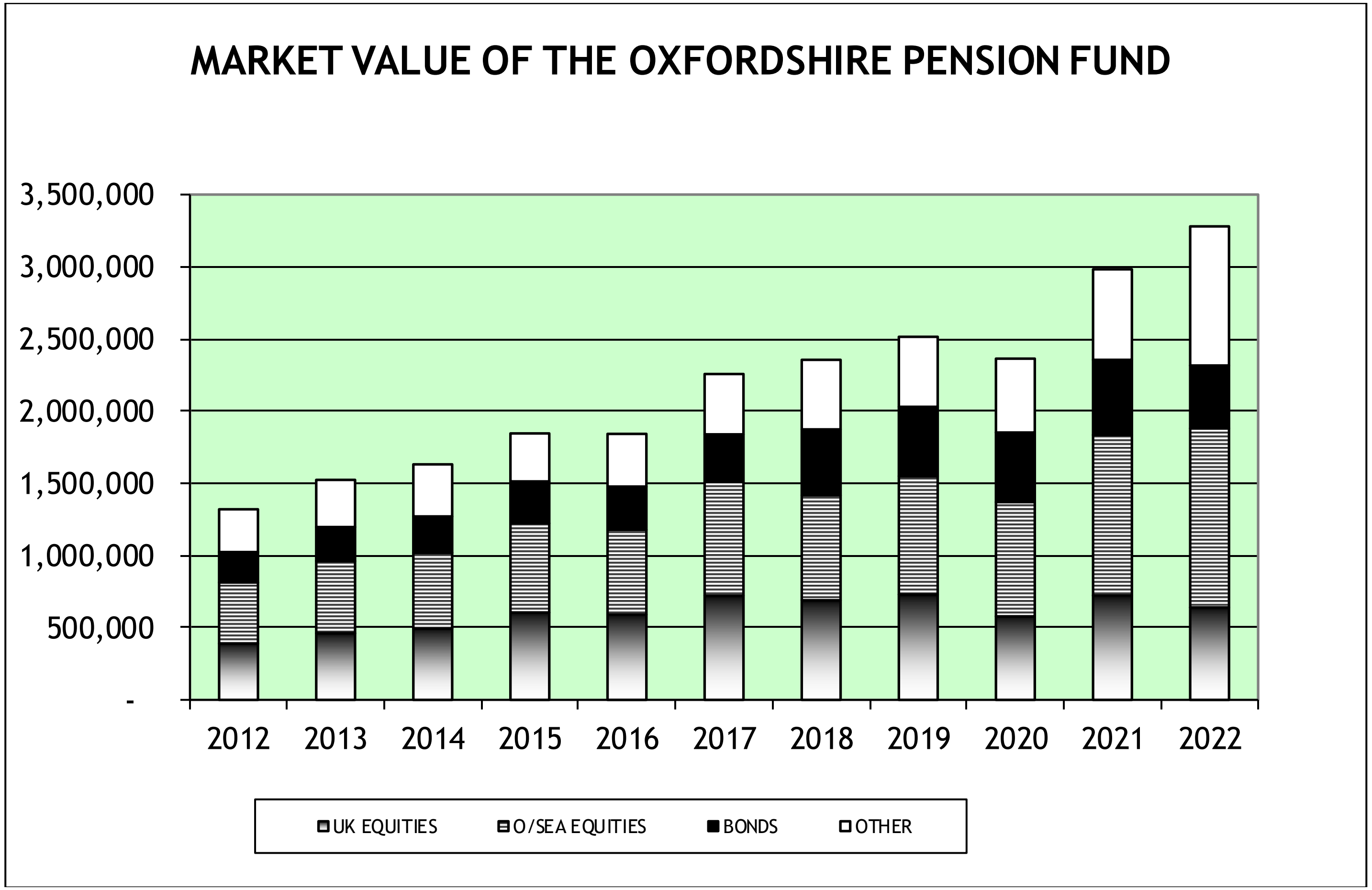
Portfolio Distribution

The distribution of the Pension Fund amongst the principal categories of assets as at 31 March 2022 is shown in the chart below. A comparative chart of the position at 31 March 2021 is also shown. Changes in the asset weightings, from one year to another, are due to investment activity and market movements.





Portfolio Asset Allocation over the Ten Years to March 2022
The total assets (including accruals) of the Pension Fund have grown from £1,320 million at end of March 2012 to £3,280 million at end of March 2022 (see chart below).
Over the period the percentage in UK equities decreased from 29.5% to 19.5% and bonds decreased from 16.0% to 13.3%.



Note: In 2008 the basis of valuation changed from mid-price to bid-price

♦ Investment Benchmark and Performance

The performance of the individual Fund Managers against their benchmark is shown in the following table. Each Fund Manager is given a different target to outperform their benchmark over a rolling three-year period. The table shows that performance in 2021/22 at the total fund level was 0.4% below benchmark with an overall return of 10.3%.

Fund Manager	Target %	One Year Ended 31 March 2022		Three Years Ended 31 March 2022		Five Years Ended 31 March 2022	
		Benchmark Return %	Oxfordshire Return %	Benchmark Return %	Oxfordshire Return %	Benchmark Return %	Oxfordshire Return %
Brunel UK Equities	2.0	13.8	8.5	-	-	-	-
Passive Dev Eq Paris Aligned	n/a	-	-	-	-	-	-
Brunel Global Sustainable Equities	n/a	12.9	8.2	-	-	-	-
Brunel Global High Alpha Equity	2-3	15.9	8.7	-	-	-	-
Brunel Emerging Market Equity	2-3	-6.8	-11.5	-	-	-	-
Legal & General Fixed Income	0.6	-1.6	-1.6	1.4	2.3	1.9	2.5
Brunel Sterling Corporate Bonds		-	-	-	-	-	-
Brunel Multi-Asset Credit		-	-	-	-	-	-
Passive Index Linked Gilts Over 5 Years		-	-	-	-	-	-
Brunel UK Property		23.1	21.2	-	-	-	-
Brunel International Property		17.9	10.3	-	-	-	-
Insight Diversified Growth Fund	3-5	4.3	3.7	4.3	3.9	4.3	3.4
In-House Property	Excess	23.1	17.8	8.1	5.5	7.8	6.9
In-House Private Equity	1.0	15.5	39.3	14.9	24.3	9.8	19.3
Brunel Private Equity - Cycle 1	3.0	12.9	46.5	13.9	19.1	-	-
Brunel Private Equity - Cycle 2		12.9	24.0	-	-	-	-
In-House Infrastructure	4.0	8.4	26.5	5.7	13.8	-	-
Brunel Infrastructure - Cycle 1	4.0	7.0	6.6	3.1	8.3	-	-
Brunel Infrastructure - Cycle 2		7.0	1.1	-	-	-	-
Brunel Secured Income - Cycle 1	2.0	7.0	11.9	3.1	5.2	-	-

Brunel Secured Income – Cycle 2		7.0	14.1	-	-	-	-
Brunel Private Debt - Cycle 2		-	-	-	-	-	-
Cash	n/a	0.2	3.4	0.4	1.4	0.5	1.0
Total Fund		**10.7**	**10.3**	**8.5**	**8.7**	**6.9**	**7.4**

* - Being phased in. Target was 1% above benchmark until June 2014.
Cash held by Fund Managers is included within total Fund Manager performance.

Further investment performance details comparing the Oxfordshire Pension Fund with other local authority funds and indices are shown in the table below.

% Returns per annum for the financial year ended 31 March 2022				
Actual Returns	1 year	3 years	5 years	10 years
Oxfordshire Total Fund Return	10.3	8.7	7.4	9.1
Average Returns				
PIRC LGPS Universe Median Return	8.0	8.6	7.0	8.8
Oxfordshire Benchmark	10.7	8.5	6.9	8.9

Responsible Investment

Fund managers produce reports outlining their engagement and ESG related activity. All of the Fund's investment managers are signatories to the United Nations Principles for Responsible Investment Initiative. Fund managers and officers monitor ESG related developments and ad-hoc reports are produced for the Committee on topical ESG issues relevant to the Fund. In 2019/20 the Pension Fund adopted a Climate Change Policy recognising this as the single most important factor that could materially impact its long-term investment performance given its systemic nature and the effects it could have on global financial markets. A copy of the Policy is available on the Council's website: (https://mycouncil.oxfordshire.gov.uk/documents/s50129/PF_MAR0620R20%20Appendix%20to%20Annex%201%20OCCPF%20Climate%20Change%20Policy%20Draft.pdf).

The Fund has produced a report based on the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations which is included below on pages 41-55:

Voting

Introduction

The UK Stewardship Code was introduced by the Financial Reporting Council in 2010, and revised in September 2012. The Code, directed at institutional investors in UK companies, aims to protect and enhance the value that accrues to ultimate beneficiaries through the adoption of its seven principles. The code applies to fund managers and also encourages asset owners such as pension funds, to disclose their level of compliance with the code.

Principle 6 of the Code states that Institutional investors should have a clear policy on voting and disclosure of voting activity. They should seek to vote all shares held and should not automatically support the board. If they have been unable to reach a satisfactory outcome through active dialogue then they should register an abstention or vote against the resolution, informing the company in advance of their intention to do so and why.

The Oxfordshire County Council Pension Fund's voting policy is set out in its Investment Strategy Statement which states that in practice the Fund's Investment Managers are delegated authority to exercise voting rights in respect of the Council's holdings. Voting decisions are fully delegated to fund managers, while recognising that the Fund maintains ultimate responsibility for ensuring that voting is undertaken in the best interests of the Fund.

Oxfordshire County Council Pension Fund Taskforce on Climate-related Financial Disclosures Report 2021/22

Introduction

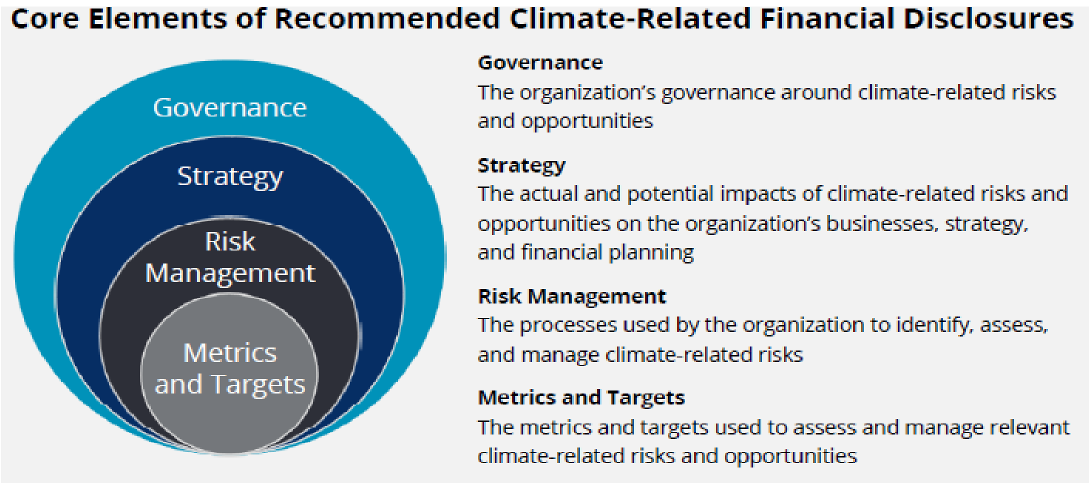
This is the Pension Fund's second report under the Taskforce on Climate-related Financial Disclosures (TCFD) framework. As well as reporting against the TCFD recommendations the report is intended to review the progress made against the Fund's Climate Change Policy and Implementation Plan which were agreed in June 2020.

Background

Mark Carney, when he was Chair of the Financial Stability Board, was instrumental in the launch of TCFD when it was created in 2015. In 2017 the TCFD released its recommendations for improved transparency by companies, asset managers, asset owners, banks, and insurance companies on how climate-related risks and opportunities are being managed. Supporters of the TCFD total over 3,000 organisations across 92 countries. The Task Force consists of 32 members from across the G20, representing both users and preparers of financial disclosures, and is currently chaired by Michael R. Bloomberg founder of Bloomberg L.P..

The TCFD was established to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. The four core elements of the recommended disclosures are detailed in Figure 1 below.

Figure 1



(Recommendations of the Task Force on Climate-related Financial Disclosures, 2017)

The TCFD recommendations on climate-related financial disclosures are intended to be widely adoptable and applicable to organisations across sectors and jurisdictions.

In November 2020, the UK Government announced its 'TCFD road-map' with a commitment to roll out across the finance sector by 2025. This is underway with regulators having made, or being in the process of making, TCFD based reporting mandatory and have published guidance on the implementation of the recommendations relevant to the sector in question. Figure 2 below shows the announced TCFD implementation plans in the UK.

Figure 2

Financial Conduct Authority	Implementation Date
UK Listed Companies	2021
Asset Managers and Workplace Personal Pensions	2022
Large UK-Registered Private Companies	2023
Department for Work & Pensions (DWP)	
Occupational Pension Schemes	2021

At present there is no requirement for LGPS funds to report under TCFD or consultation on the implementation in the LGPS. However, the Department for Levelling Up, Housing & Communities has stated that it intends for TCFD reporting in the LGPS to become mandatory in 2023 and intends to issue guidance by November 2022. The Pension Fund determined in its Climate Change Policy Implementation Plan that a TCFD report would be included in its 2020/21 Annual Report.

Below are details for the Fund under each of the TCFD's recommended disclosures.

Governance

TCFD Recommended Disclosure – a. Describe the board's oversight of climate-related risks and opportunities.

The Fund's governance arrangements are set out in its Governance Policy Statement. All functions relating to the management of the Pension Fund have been delegated by Oxfordshire County Council to the Pension Fund Committee. As such, the Committee are responsible for the Fund's long-term strategy.

The Pension Fund Committee are responsible for setting the Fund's Investment Strategy Statement which includes the approach to responsible investment. The Fund has an Independent Investment Adviser who provides investment advice to the Fund including on investment strategy.

Climate change is considered in the budget setting process in terms of training requirements, any climate related consultancy deemed beneficial, and climate related reporting requirements.

In June 2020 the Pension Fund Committee agreed a Climate Change Policy and Climate Change Policy Implementation Plan. Progress against the Policy and Implementation Plan is to be reported to Committee quarterly with a more detailed annual review. Climate Change is included as one of the four key items on the Pension Fund's Annual Business Plan.

Following agreement of the Policy a Climate Change Working Group was formed which currently comprises of Committee members, a Local Pension Board member, Fund officers, the Fund's Independent Investment Adviser, a scheme member representative, and member of the Fossil Free Oxfordshire campaign group. The Working Group aims to meet quarterly and report back to the Committee at its quarterly meetings.

As required by LGPS regulations The Pension Fund operates a Local Pension Board which meets on a quarterly basis. The Board's role is to ensure the efficient and effective governance and administration of the Fund, including compliance with relevant regulations and legislation that apply to the Fund.

The Fund, along with nine other LGPS funds, is a part of the Brunel Pension Partnership which develops investment portfolios that are made available to client funds to invest in. Under pooling requirements set by the government the Pension Fund is required to make all investments through Brunel while maintaining responsibility for asset allocation decisions. The key bodies where the Fund interacts with Brunel are the Client Group and Brunel Oversight Board where fund representatives and Brunel meet. Climate related risks and opportunities form a key part of the reporting received from Brunel on their portfolios and activities and Brunel has a dedicated responsible investment team.

TCFD Recommended Disclosure – b. Describe management's role in assessing and managing climate-related risks and opportunities.

Day-to-day management of the Fund's Climate Change Policy implementation is delegated to management through the Director of Finance and is required to report progress to the Pension Fund Committee quarterly. Management receive an annual carbon metrics report which informs its reporting to Committee.

Management engage with Brunel and other Fund Managers on climate issues and receive and consider responsible investment, including climate related, reporting that is included in Fund Managers' quarterly reports. The Fund has an officer representative on the Brunel Responsible Investment Sub-Group and Cross-Pool Responsible Investment Group where developments around climate issues are regularly discussed (e.g. metrics developments, engagement activities and results).

Management are responsible for developing and operating a training plan for Committee members and Officers to ensure appropriate skills and knowledge.

Strategy

TCFD Recommended Disclosure – a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

The Pension Fund has liabilities that stretch decades into the future and so primarily takes a long-term view to investment decisions. Given the diversity and global nature of the Fund's investments almost all climate related risks and opportunities are relevant to the Fund. While some of the climate-related risks/opportunities apply to the Fund across its investments as a whole, others are specific to certain sectors or geographies and Fund Managers are required to consider the materiality of these.

The most significant long-term risk is the systemic risk across financial markets, including social and other factors, associated with climate change that could arise if actions are not taken to adhere to the Paris Agreement.

In terms of more specific and short/medium-term risks - stranded assets, physical risks (e.g. property), sovereign debt where countries are dependent on fossil fuel linked revenue, policy risk (e.g. carbon pricing), technology risk (obsolescence), changes in consumer behavior are all factors that can affect the Fund's investments. There is also a risk that the Fund develops its investment strategy around achievement of the Paris goals but the goals are not achieved meaning the Fund's investment strategy is misaligned with the reality of the actual climate path.

The Fund has identified climate related opportunities including the ability to reduce portfolio risk by identifying and taking action on assets at risk under Paris aligned scenarios and the potential to identify outperformance opportunities by investing in those companies whose business models/strategies are best aligned with Paris aligned scenarios. Additionally, investment opportunities exist in assets linked to the implementation of the Paris Agreement (e.g. clean energy infrastructure).

TCFD Recommended Disclosure – b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Climate Change is considered as part of the development of the Fund's Investment Strategy Statement which includes the Fund's strategic asset allocation. After each funding valuation undertaken by the actuary the Fund completes a fundamental review of its asset allocation which will consider climate related risk and opportunities. The Fund aims to incorporate climate change scenario analysis into the next fundamental review due in 2023. The fund uses diversification to manage investment risks but given the systemic nature of climate risks this limits its effectiveness under more extreme scenarios.

The Fund's Climate Change Policy states that where there are two investment options that broadly aim to deliver the same investment objective the Pension Fund will prioritise the option that delivers the best fit to its climate change commitment. For example, consistent with this principle the Fund moved ~5% of the Fund from regular market-cap index trackers to a low-carbon alternative in 2020.

Climate related risks and opportunities are considered when setting the Pension Fund's Business Plan and also informs discussions with Brunel around portfolio offerings and construction.

The Pension Fund has made a commitment to achieve net-zero emissions on its own operations by 2030.

TCFD Recommended Disclosure – c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Fund is committed through its Climate Change Policy to keeping abreast of the latest scientific developments in respect of Climate Change to ensure that the Policy remains appropriate in its aim to align with the Paris Agreement.

Under a scenario where additional cuts in emissions are required to meet the Paris Agreement, and there was a global commitment to achieve this, the Fund would anticipate amending its target for emissions reductions across its investments accordingly and making any necessary changes to its asset allocation targets and/or investment portfolios.

Under a scenario where the Paris Agreement goals were to be overshot the Fund would consider making changes to its investments that align with this reality, this would likely include mitigating physical risks that would be associated with such a scenario. The Fund would also review whether there are changes the Fund could make, for example in engagement activity or policy advocacy, that could help correct the scenario back towards a Paris aligned one.

The Fund has not yet undertaken a scenario analysis exercise and acknowledges that this is a developing area. The Fund recognises the value of scenario analysis based on different climate scenarios and has committed to undertaking an exercise in its Implementation Plan, the results of which are to be incorporated into the Fund's fundamental asset allocation review due in 2023. Any scenario analysis would be intended to consider both the asset and liability implications for the Fund.

Risk Management

TCFD Recommended Disclosure – a. Describe the organization's processes for identifying and assessing climate-related risks.

Climate Change is included on the Fund's risk register which considers impact and likelihood in assigning a score. The risk register is reviewed on a quarterly basis and reported to Committee at each meeting. Officers consider regulatory, scientific and political developments on climate change in particular those from recognised international bodies such as IIGCC, International Energy Agency, and UN Environmental Programme.

The Fund meets regularly with Brunel and discusses climate issues including any identified from the narrative reporting or climate metrics provided by Brunel.

Brunel in turn meet with their appointed fund managers who also have a responsibility to consider climate related risks and opportunities. For example, Brunel have a target for all companies held in their portfolios to achieve a Transition Pathway Initiative score of 4 or higher by 2022. The Responsible Investment Sub-Group at Brunel provides an additional forum to discuss climate related risks with Brunel.

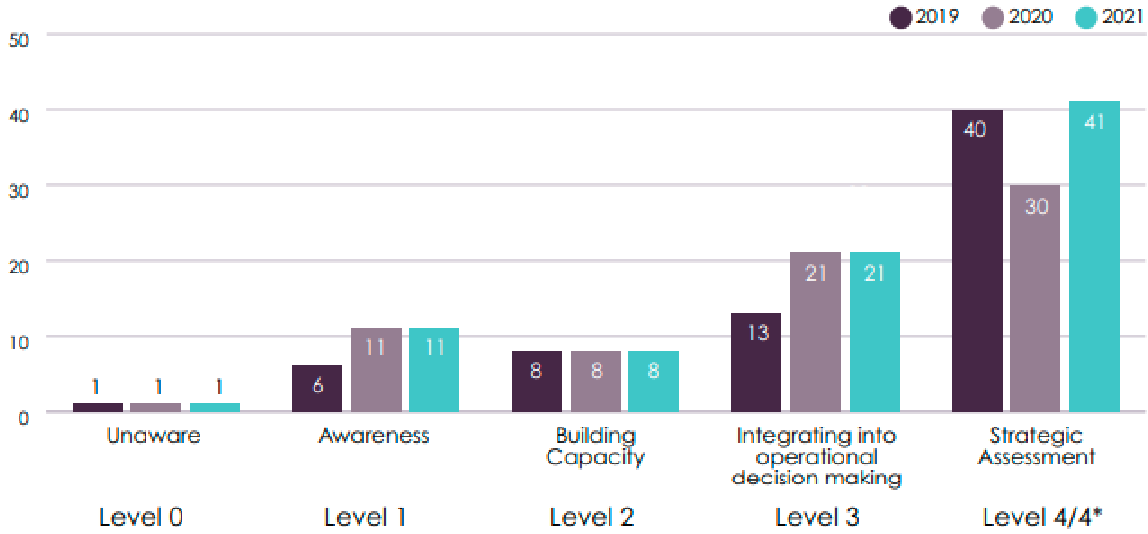
TCFD Recommended Disclosure – b. Describe the organization's processes for managing climate-related risks.

The Fund is responsible for asset allocation decisions and sets its asset allocation targets to be consistent with the Fund's Climate Change Policy. Where the Fund identifies investment needs that are not currently deliverable from Brunel portfolios there is a process for the creation of new portfolios.

Voting and engagement form an important part of the Fund's management of climate-related risks. Engagement on behalf of the Pension Fund primarily takes place through Brunel, their appointed fund managers, and their engagement provider, in accordance with the approach set out in Brunel's Climate Change Policy to which the Fund is able to input. Voting is undertaken on behalf of the Fund by Brunel utilising the expertise of their voting and engagement provider and appointed managers.

Brunel's approach to voting escalation sees an initial vote against the reappointment of a company Chair escalate to other board members where they have not met their climate disclosure expectations. These expectations will increase over time with the aspiration of all their material holdings being on TPI Level 4 by 2022 and having made meaningful progress to alignment with a 2 degree or below pathway. In some sectors, e.g. oil and gas, they will aim to stimulate more rapid change. Figure 3 below shows the available TPI scores for 2019 - 2021 across Brunel's listed equity portfolios.

Figure 3



The Fund, through Brunel and the Fund's membership of IIGCC, is involved in the Development of Paris Aligned Portfolios under the IIGCC's Net Zero Framework. It is intended that this work will lead to all portfolios offered by Brunel being Paris aligned.

The Fund believes that in some areas, particularly around public policy engagement, it is beneficial for the Fund to act with like-minded investors. As such, the Fund is a member of investor groups whose aims are aligned with those of the Fund in respect of Climate Change (Climate Action 100+, Institutional Investors Group on Climate Change, Local Authority Pension Fund Forum).

TCFD Recommended Disclosure - c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate Change is included on the Fund's risk register which is a standing item at the quarterly Committee meetings. Climate change is a key topic included as part of the training plan to ensure appropriate skills and knowledge for those making decisions.

In appointing third parties, such as the Fund's Independent Investment Adviser, the Fund will set out requirements around responsible investment as appropriate.

Climate Change is also considered by the Fund's actuaries when undertaking their funding valuation.

Metrics and Targets

TCFD Recommended Disclosure – a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

Metrics reported in this section are from the Fund’s Carbon Metrics Reports. The report includes equity and fixed income assets covering ~55% of the Fund’s overall investment portfolio. The Fund is working to improve reporting across other asset classes, including private markets, so that the level of coverage can be increased.

The Fund currently uses the following metrics to assess climate related risks and opportunities at both an aggregate and listed portfolio level:

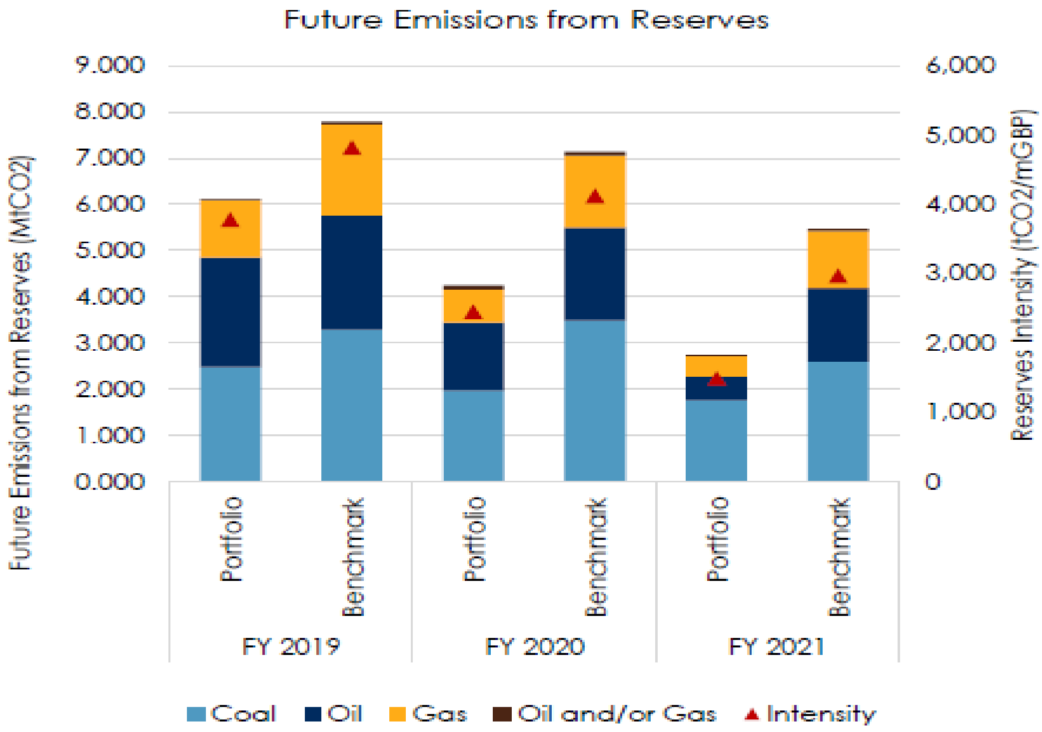
- Weighted Average Carbon Intensity
- Fossil Fuel Revenue Exposure
- Fossil Fuel Reserves Exposure
- Future Emissions from Reserves
- Disclosure Levels (Scope 1 Emissions)

Whilst the Fund does not have a specific fossil fuel reserves exposure reduction target, it does support seeking to reduce exposure over time.

Fossil fuel reserves exposure and future emissions from reserves are useful insights into potential downstream scope 3 emissions and can be used as an indicator of potential stranded asset risks.

Figure 4 below shows fossil fuel reserves exposure for the Fund as at 31 December 2019, 31 December 2020 and 31 December 2021.

Figure 4



TCFD Recommended Disclosure - b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

The Pension Fund's Carbon Metrics report discloses scope 1, 2 and upstream first tier scope 3 emissions for all listed equity portfolios and the Fund's Sterling Corporate Bond Portfolio.

TCFD Recommended Disclosure - c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The Fund has an annual reduction target for GHG emissions across its investment portfolios of 7.6%. 2021 saw an increase in WACI of 1% compared to the 2020 level but the annualized rate of reduction from 2019 was 8.9%, above the annual target of 7.6%.

The main driver behind the increase in the WACI figure in 2021 was an increase from the Fund's investment in the Brunel Sustainable Equities Portfolio which had a 61.8% increase in carbon intensity compared to 2021. In 2021 Brunel added managers to the sustainable equity portfolio that are actively targeting investments in companies who are at the forefront of the energy and industrial transition to Net Zero. These are leaders in challenging and difficult-to-abate sectors and so inevitably have a higher carbon intensity today than companies in most other sectors, whose own transition journey is dependent on such companies. These investments are essential to the transition, but our existing tools and ways of measuring risk do not do them justice.

This highlights the drawbacks of only looking at a single metric and links into the Fund’s target to develop additional metrics including forward looking ones. In 2021 Brunel piloted the use of green revenues data with the support of FTSE Russell which showed that the Brunel Global Sustainable Portfolio had 10.9% exposure to green revenues compared to 8.5% in its benchmark, the FTSE All World, as of 31 December 2021.

Climate Change Policy Implementation Plan Progress

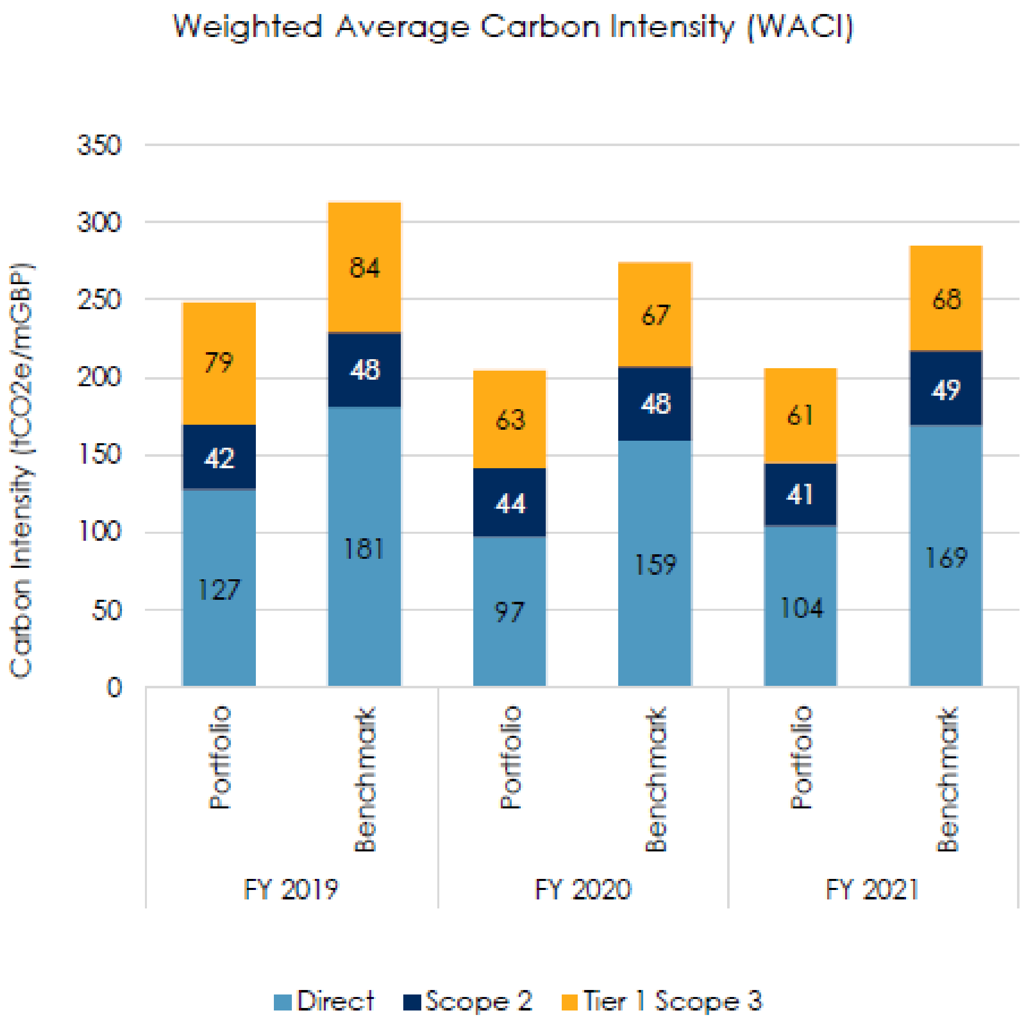
Emissions Reduction Target

The Fund’s Climate Change Policy Implementation Plan set a target to reduce Greenhouse Gas Emissions by 7.6% per annum based on the 2019 UN Environment Programme annual Emissions Gap Report. This was set to be consistent with the Fund’s Policy commitment to be aligned to the 1.5°C temperature goal of the Paris Agreement with limited or no overshoot.

Figure 5 below shows the Fund’s Weighted Average Carbon Intensity as at 31 December 2019, 31 December 2020 and 31 December 2021. These were 248, 204 and 206 million tonnes of CO2 equivalent per million pounds revenue respectively representing **a reduction over the two-year period of 16.9% and an annualized rate of reduction of 8.9%.**

While the Fund does not have a target for reductions in exposure to fossil fuel reserves this reduced by 35.3% from the 2020 level and has reduced by 55% since 2019.

Figure 5



The Fund recognises that there are a range of different metrics to assess emissions related to investment portfolios all of which have their own merits and drawbacks. At present the Fund is reporting on WACI (as recommended by TCFD) as this can be used across all listed portfolios, irrespective of allocations and therefore can be decision useful in assessing the relative carbon emission efficiency (per million pounds) of portfolios when attributing the impacts of strategic asset allocation decisions.

However, WACI has limitations in being used to assess progress against the Fund's emissions reduction target, principally because it is an efficiency measure and so while efficiency may improve this does not mean actual emissions are necessarily reducing.

An additional issue across all metrics is the use of scope 3 emissions where data quality and double counting, when using full scope 3 emissions, both make its use challenging. At present the Fund's WACI data includes Scope 1, Scope 2, and first tier Scope 3 emissions (upstream emissions).

August 2021 saw the Intergovernmental Panel on Climate Change (IPCC) publish the first report in its Sixth Assessment Cycle covering the physical science basis. This was followed by two further reports in 2022 on impacts, adaptations and vulnerability, and mitigation of climate change. The reports are unequivocal that current action to reduce GHG emissions are inadequate to limit warming to 1.5°C, and that the consequences of failing to limit warming to this level will be dire.

The United Nations Environment Programme released their 2021 Emissions Gap Report 2021 in October 2021. The report shows that new national climate pledges combined with other mitigation measures put the world on track for a global temperature rise of 2.7°C by the end of the century, well above the goals of the Paris agreement and would lead to catastrophic changes in the Earth's climate.

Both reports still give some cause for optimism in that they state that there is time for a technically feasible, cost-effective, and socially acceptable pathway to achieve net zero by 2050. However, the pathways are narrow and extremely challenging and require a rapid step up in the commitments and actions of all stakeholders across the globe. This was also the position in the prior year and although there has been some progress in terms of commitments, there is an urgent need for these to go further and to translate into action.

In November 2021 the UK hosted COP26 in Glasgow. Although some hoped more would be achieved there were a number of important agreements made including transitioning away from coal power generation, a strengthening of the 1.5°C target in the Paris agreement, and pledges to reduce methane emissions.

Other Implementation Plan Items

The Fund's Implementation Plan sets out several actions over the near-term that the Fund has determined will enable it to deliver on its Climate Change Policy. Progress against each of these is summarised below.

Work with Brunel to establish whether alternative passive, or similar, equity funds are available that better deliver on the Policy than current options available to the Fund.

Brunel worked closely with a leading index provider FTSE Russell to develop two indexes that met the EU criteria to be classified as a Climate Transition Benchmark and Paris Aligned Benchmark. These indexes were made available for investment in November 2021. The Pension Fund Committee made a decision to move the Fund's full passive holdings of c.£530m to the Paris Aligned Benchmark fund putting it among the first group of investors to invest in the index. Of the two funds developed the Paris Aligned Benchmark has stricter climate criteria and effectively excludes fossil fuel companies from the index.

Consider the renewable infrastructure weighting when making future allocations to the Brunel Infrastructure portfolio.

Brunel has removed the renewable infrastructure sleeve from its cycle 3 infrastructure portfolio and as such the Pension Fund is not able to separately allocate to renewables within its infrastructure allocations. The infrastructure portfolio specification states that a majority of the portfolio will seek to address Climate Solutions and a just Energy Transition to a lower carbon global economy.

To enable the Pension Fund to set targets for investments in Climate Solutions and have control over this the Pension Fund is seeking the development of a Climate Solutions Portfolio to enable it to make specific allocations to climate solutions. Initial meetings between Brunel and the client funds have taken place on the development of this portfolio.

Investigate an appropriate metric for measuring the proportion of assets invested in climate mitigation and adaptation.

The Fund continues to work with Brunel in developing an appropriate metric or set of metrics and determining the criteria used to identify investments in climate mitigation and adaptation. This links to wider work being undertaken by various governments including the EU who have developed an EU Taxonomy and the UK which has established a Green Technical Advisory Group to advise the government on the establishment of a UK taxonomy that sets the criteria for an investment to be defined as environmentally sustainable. In order for the Fund to set targets it first needs to be able to establish the current level of investments in Climate Solutions.

Once an appropriate metric(s) has been determined and the baseline established the Fund intends to set a target in terms of the % of the Fund invested in climate solutions. The IIGCC has a workstream looking at target setting for Climate Solutions that the Fund intends to use as the basis for setting targets.

The Pension Fund will work with Brunel to set appropriate targets and measures of success in relation to engagement activity undertaken on the Fund's behalf.

Brunel also have a target for all their material holdings to achieve a Transition Pathway Initiative score of at least 4 by 2022 and are targeting engagement and voting action against those companies whose scores are not improving or are falling.

Brunel's voting and engagement provider Hermes EOS have a target outcome that companies' strategies and actions are aligned to the goals of the Paris Agreement. Hermes use four milestones to measure and monitor progress:

Milestone 1 Concern raised with company
Milestone 2 Acknowledgement of the issue
Milestone 3 Development of a credible strategy to address the concern
Milestone 4 Implementation of a strategy or measures to address the concern

Hermes EOS undertakes engagement over three-year cycles. During 2021, EOS engaged with 839 Brunel-held companies on 1,337 milestones. Progress against one or more milestones was achieved for 50% of the engagement objectives set during the year.

The effectiveness of the engagement approach operated by Brunel will be formally reviewed as part of the 2022 stocktake of their Climate Change Policy and the Pension Fund will contribute to this review.

A key component of the engagement approach is to encourage companies to set plans and objectives to align with net-zero.

Brunel provides updates on the engagements with companies every quarter and more detailed analysis on an annual basis in the Responsible Investment and Stewardship Outcomes Report.

Concluding in Autumn 2022, Brunel and its clients will undertake a climate stocktake against the policy, objectives, and targets and the initial meetings in this process have now taken place.

As part of the Pension Fund's input into the stocktake it has agreed an Engagement Policy. The policy focuses on companies with the highest emissions; those covered by CA100+. A series of measures are set out in the policy with target dates for achievement, failure to meet the criteria will lead to potential exclusion of a company.

Work with Brunel to identify, or develop if not available, appropriate metrics, across all investment portfolios, to monitor the successful implementation of the Policy.

Work on metrics is ongoing and is expected to be an evolving process that incorporates developments in available data with the aim of increasing the accuracy and relevance of metrics as well as increasing the level of portfolio coverage.

While metrics are available for listed equities and bonds there is currently a lack of data available for the majority of other assets particularly in a format that allows aggregation at portfolio level. There are some industry developments in this area that could be useful to the Fund, for example the Carbon Risk Real Estate Monitor that has been developed for real estate assets.

Brunel are working with their private market managers to produce climate data that can be used to measure alignment with climate goals.

This is also an area being looked at by the IIGCC as part of their Net Zero Investment Framework and the Fund will monitor the outputs from this work and its applicability to the Pension Fund's investments.

Consider the merits of joining investor groups whose aims align with those of the Pension Fund as set out in the Policy.

The Fund continues to be a member of The Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+ and the Local Authority Pension Fund Forum. In February 2021 the Fund signed the IIGCC's Paris Aligned Investments Initiative:

Net Zero Asset Owner Commitment, joining other global investors in committing to investing in support of the goal of global net zero emissions by 2050.

In 2022 the Pension Fund was a signatory to The Investor Agenda's 2022 Global Investor Statement to Governments on the Climate Crisis calling on governments to set targets and take policy action aligned with the goal of limiting global temperature rises to 1.5°C.

Investigate options for portfolio scenario analysis based on different climate change scenarios so that this can be incorporated in the next fundamental asset allocation review in 2023.

The Fund continues to target production of a report to feed into the 2023 fundamental asset allocation review exercise. This would enable the Fund to include scenario analysis in its 2023 TCFD report at which point it is anticipated to be a mandatory requirement from DLUHC.

As well as addressing the Pension Fund's investments the Policy also sets a target for the Pension Fund to be carbon neutral on its own operations by 2030.

The Fund continues to work within Oxfordshire County Council's wider goal to achieve net zero emissions by 2030 across the whole organisation of which the Pension Fund is part. The Fund intends to report data on this and actions taken in future updates.

Case studies

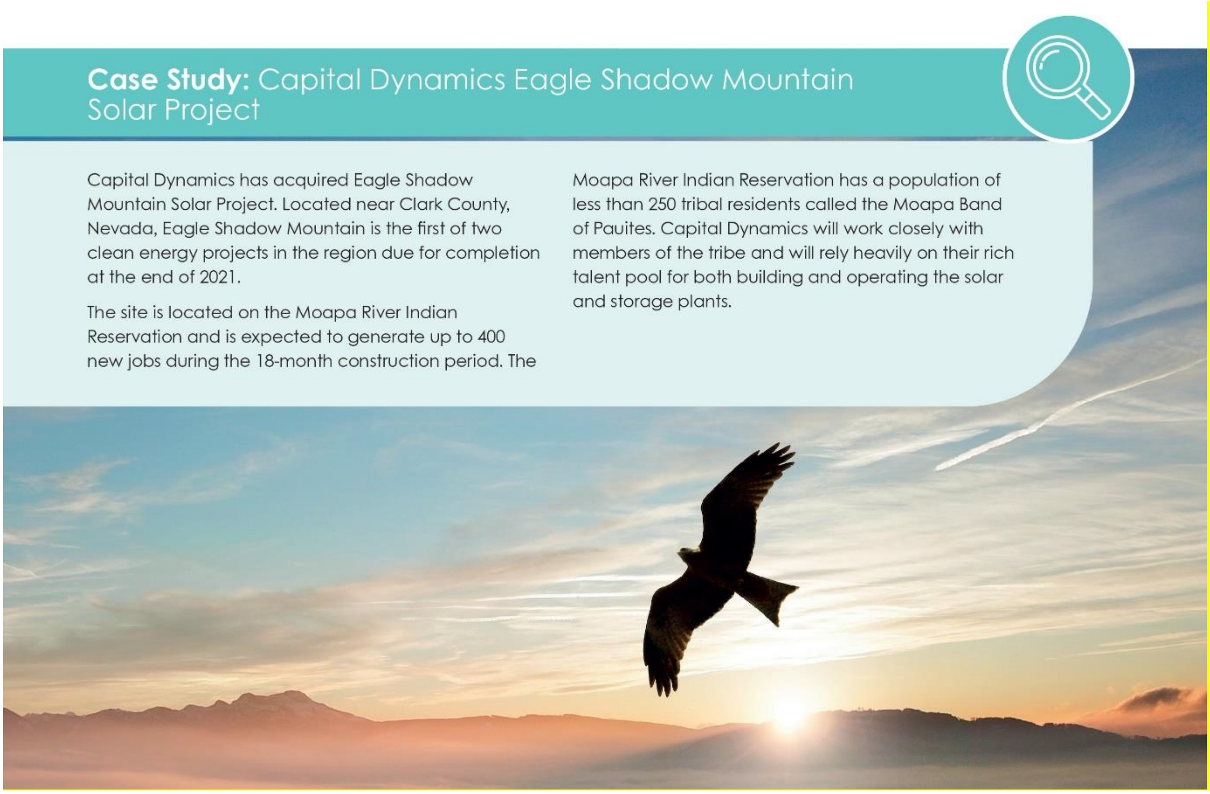
Below are two examples of investments with a climate focus within the Brunel portfolios the Pension Fund is invested in.

Case Study: Decarbonising hard-to-abate sectors in private markets

Investing in real world decarbonisation is central to Brunel's approach in both public and private markets. That includes investing in hard-to-abate sectors, and specifically not simply removing challenging companies from portfolios, which may look better but in reality just avoids the issue.

We hold the Infracapital Infrastructure fund in our Cycle 2 Infrastructure portfolio. The fund is focused on providing innovative energy-saving technologies required to connect smart cities and tackle 'hard-to-decarbonise' sectors. This includes technologies such as rural fibre, water connections, sustainable heat pumps, electric vehicles and charging, battery technology and industrial energy solutions.

One such investment is into Energy Nest – a market leader in thermal battery solutions. This cost-effective technology enables both the transfer of industrial waste heat into electricity and the use of renewable power in industrial heat processes. The technology is up to 99% thermal-efficient; is modular, scalable and recyclable; and has very low capex and opex. It is well-positioned to solve key challenges related to the energy transition, such as variable and intermittent renewables.



Other Material

Employer Discretions

Pension Services can supply employers with related pension costs which would result following an employer's action on a discretionary policy. The employer's written decisions are required before pension services will take action in any circumstance which could incur additional cost, unless it is clear from an employer's current written policy statement that the decision is in accordance with that statement. For example, some employers will allow late transfers without further consideration while others need to make individual decisions.

Fund Account for the Year Ended 31 March 2022			
	Notes	2022 £'000	2021 £'000
Contributions and Benefits			
Contributions Receivable	6	-104,043	-113,588
Transfers from Other Schemes	7	-9,146	-20,407
Other Income		-17	-87
Income Sub Total		**-113,206**	**-134,082**
Benefits Payable	8	97,394	91,709
Payments to and on Account of Leavers	9	7,738	10,022
Expenditure Sub Total		**105,132**	**101,731**
Net (Additions)/Withdrawals From Dealings With Members		**-8,074**	**-32,351**
Management Expenses	10	18,548	13,766
Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses		**10,474**	**-18,585**
Returns on Investments			
Investment Income	11	-13,924	-10,503
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments	15a	-293,861	-589,896
Less Taxes on Income	11	5	0
Net returns on Investments		**-307,780**	**-600,399**
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		**-297,306**	**-618,984**
Opening Net Assets of the Scheme		2,982,336	2,363,352
Closing Net Assets of the Scheme		**3,279,642**	**2,982,336**

Net Assets as at 31 March 2022	Notes	2022 £'000	2021 £'000
Investment Assets			
Bonds	16b	80,934	310,417
Equities	16b	164,113	128,163
Pooled Investments	16b	2,675,425	2,258,527
Pooled Property Investments	16b	272,097	211,155
Derivative Contracts	16c	403	4,136
Cash Deposits	16d	6,626	26,978
Other Investment Balances	16d	2,168	2,561
Long-Term Investment Assets	16b	840	840
Investment Liabilities			
Derivative Contracts	16c	-628	-279
Other Investment Balances	16d	-548	-21,174
Total Investments		**3,201,430**	**2,921,324**
Assets and Liabilities			
Current Assets	17	80,042	64,287
Current Liabilities	18	-1,833	-3,315
Net Current Assets		**78,209**	**60,972**
Long-Term Assets	19	3	40
Net Assets of the scheme available to fund benefits at year end		**3,279,642**	**2,982,336**

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 26.

Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2021/22 Annual Report and in the underlying statutes.

General

The Oxfordshire County Council Pension Fund is part of the Local Government Pension Scheme which is a statutory, funded, defined benefit pension scheme. Oxfordshire County Council is the administering body for this pension fund. The scheme covers eligible employees and elected members of the County Council, District Councils within the county area and employees of other bodies eligible to join the Scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)

- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

This defined benefit scheme provides benefits related to salary for its members. Pensions paid to retired employees, their dependants, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. The amount is determined by the Secretary of State.

Membership
The majority of fund employers are required to automatically enrol eligible jobholders into the LGPS under the government’s auto-enrolment legislation, employees may then choose to opt-out of the scheme. Some employers will have the option of whether to auto-enrol eligible jobholders into the LGPS or another qualifying scheme.

Members are made up of three main groups. Firstly, the contributors - those who are still working and paying money into the Fund. Secondly, the pensioners - those who are in receipt of a pension and thirdly, by those who have left their employment with an entitlement to a deferred benefit on reaching pensionable age.

Organisations participating in the Oxfordshire County Council Pension Fund include:

- Scheduled Bodies – Local authorities and similar bodies, such as academies, whose staff are automatically entitled to become members of the Fund.
- Admitted Bodies – Organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.
- Admitted Bodies can be split in to two groups:
    - Community Admission Bodies – these are typically employers that provide a public service on a not-for-profit basis and often have links to scheduled bodies already in the Fund. Housing Corporations fall under this category.
    - Transferee Admission Bodies – these are bodies that provide a service or asset in connection with the exercise of a function of a scheme employer. Typically this will be when a service is transferred from a scheme employer and is to allow continuing membership for staff still involved in the delivery of the service transferred.

Full definitions are contained in The Local Government Pension Scheme (Administration) Regulations 2008.

The table below details the composition of the Fund’s membership:

	As at 31 March 2022	As at 31 March 2021
Number of Contributory Employees in Scheme		
Oxfordshire County Council	8,206	8,062
Other Scheduled Bodies	12,443	12,012
Admitted Bodies	478	508
	21,127	**20,582**
Number of Pensioners and Dependants		
Oxfordshire County Council	9,996	9,622
Other Scheduled Bodies	6,484	6,159
Admitted Bodies	1,158	1,091
	17,638	**16,872**
Deferred Pensioners		
Oxfordshire County Council	16,234	16,081
Other Scheduled Bodies	12,559	11,563
Admitted Bodies	1,305	1,309
	30,098	**28,953**

Unprocessed leavers are included as Deferred Pensioners.

Six Resolution Bodies and sixteen Admitted Bodies joined the scheme in 2021/22, with a further twenty four Admitted Bodies having left the scheme. One Scheduled Body joined another multi-academy trust in 2021/22 and one Resolution Body transferred to re-join a Scheduled Body, with no net impact on membership numbers. Overall, the changes did not have a significant impact on the membership of the Fund. The Admitted Body employers that joined and left the Fund were mostly small school service contracts with low membership numbers.

Funding

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2022 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The latest actuarial valuation took place in 2019 and determined the contribution rates to take effect from 01 April 2020. Employer contribution rates currently range from 14.8% to 37.3% of pensionable pay.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below.

	Service Pre 1 April 2008	Service Post 31 March 2008
Pension	Each full-time year worked is worth 1/80 × final pensionable salary.	Each full-time year worked is worth 1/60 × final pensionable salary.
Lump Sum	Automatic lump sum of 3 × pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014 the scheme became a career average scheme, where members accrue benefits based on their pensionable pay in any given year at an accrual rate of 1/49th. Accrued pension is indexed annually in line with the Consumer Prices Index. The normal retirement age is linked to each individual member's State Pension Age.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. Scheme members are now also able to opt to pay 50% of the standard contributions in return for 50% of the pension benefit.

Note 2 – Basis of Preparation

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 22.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 25.

The accounts have been prepared on a going concern basis. The Fund does not anticipate a significant impact on the Fund's cashflow or balance sheet position over the next couple of years as a result of the Covid-19 pandemic. The fund has not received any requests from employers for a contribution deferral and continues to receive contributions from all employers in line with the rates set in the 2019 actuarial valuation. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the 2019 valuation was 99%. Therefore, management are assured the pension fund remains a going concern.

Note 3 – Summary of Significant Accounting Policies

Investments

1. Investments are shown in the accounts at market value, which has been determined as follows:

   (a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last traded price, as at 31 March 2022.

   (b) Unlisted securities are included at fair value, estimated by having regard to the latest dealings, professional valuations, asset values and other appropriate financial information.

   (c) Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.

   (d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2022.

   (e) Fixed Interest stocks are valued on a 'clean' basis (i.e. the value of interest accruing from the previous interest payment date to the valuation date has been included within the amount receivable for accrued income).

   (f) Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.

   (g) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

   (h) All gains and losses arising on derivative contracts are reported within 'Changes in Market Value of Investments'.

Foreign Currencies

2. Balances denominated in foreign currencies are translated at the rate ruling at the net assets statement date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

Contributions

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date.

   Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

   The Actuary determines the contribution rate for each employer during the triennial valuations of the Fund's assets and liabilities. Employees' contributions have been included at rates required by the Local Government Pension Scheme Regulations.

Benefits, Refunds of Contributions and Transfer Values

4. Benefits payable and refunds of contributions have been brought into the accounts on the basis of all amounts known to be due at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities. Transfer values are those sums paid to, or received from, other pension schemes and relate to periods of previous pensionable employment. Transfer values have been included in the accounts on the basis of the date when agreements were concluded.

   In the case of inter-fund adjustments provision has only been made where the amount payable or receivable was known at the year-end. Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2022.

Investment Management and Scheme Administration

6. A proportion of relevant County Council officers' salaries, including salary on-costs, have been charged to the Fund on the basis of time spent on scheme administration and investment related business. The fees of the Fund's general investment managers have been accounted for on the basis contained within their management agreements. Investment management fees are accounted for on an accruals basis.

Expenses

7. Expenses are accounted for on an accruals basis.

Cash

8. Cash held in bank accounts and other readily accessible cash funds is classified under cash balances as it is viewed that these funds are not held for investment purposes but to allow for effective cash management. Cash that has been deposited for a fixed period and as such as an investment, has been included under cash deposits.

Listed Private Equity

9. The fund holds a number of investments in listed private equity companies. These are included under equities as the investment is in a company that undertakes private equity related activities rather than an investment in a specific fund that makes private equity investments. This is consistent with the treatment of other equity investments as the fund does not split out any other categories from within equities, for example retail stocks.

Management Fees

10. Management fees have been accounted for based on the latest guidance from the Chartered Institute of Public Finance & Accountancy. Fees have been accounted for where the pension fund has a direct contractual obligation to pay them. This means where fees are deducted in a pooled fund they have been accounted for, but in a fund of funds the fees for the underlying funds are not included only those the pension fund pays to the fund of funds manager.

Note 4 – Critical Judgements in Applying Accounting Policies

Unquoted Private Equity Investments

Determining the fair value of unquoted private equity investments is highly subjective in nature. Unquoted private equity investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2022 was £303.160m (£185.606m at 31 March 2021).

Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 28. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.
The key judgements and estimation uncertainties that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:-

Item	Uncertainties	Potential Impact
Actuarial Present Value of Promised Retirement Benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets. The fund engages an actuarial firm to provide expert advice on the assumptions to be applied.	The actuarial present value of promised retirement benefits included in the financial statements is £4,529m. There is a risk that this figure is under, or overstated in Note 25 to the accounts. Sensitivities to the key assumptions are as follows: A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£84m). A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£6m). A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£90m). A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£181m).
Unquoted Private Equity	Unquoted private equity and infrastructure investments are valued at fair value using recognised valuation techniques. Due to the assumptions involved in this process	Unquoted private equity, private debt and infrastructure investments included in the financial statements total £303.160m . There is a

	there is a degree of estimation involved in the valuation.	risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 26.

Note 6 – Contributions

	2021/22 £'000	2020/21 £'000
Employers		
Normal	-69,429	-66,907
Augmentation	0	0
Deficit Funding	-7,235	-20,410
Costs of Early Retirement	-896	-972
	-77,560	**-88,289**
Members		
Normal & Additional*	**-26,483**	**-25,299**
Total	**-104,043**	**-113,588**

*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 23.

Lump sum pre-payments in respect of contributions for the period 01/04/20-31/03/23 totalling £14.110m were received during 2020/21.

Deficit recovery contributions are paid by employers based on the maximum 22 year recovery period set out in the Funding Strategy Statement. Where appropriate, the Actuary has shortened the recovery period for some employers to maintain as near stable contribution rates for those employers, in line with the Regulations.

	Employer Contributions		Members Contributions	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Oxfordshire County Council	-32,404	-30,829	-10,672	-10,149
Scheduled Bodies	-38,495	-50,452	-13,344	-12,622
Resolution Bodies	-4,086	-4,356	-1,600	-1,651
Community Admission Bodies	-1,099	-1,122	-362	-370
Transferee Admission Bodies	-1,476	-1,530	-505	-507
Total	**-77,560**	**-88,289**	**-26,483**	**-25,299**

Note 7 - Transfers In

	2021/22 £'000	2020/21 £'000
Individual Transfers In from other schemes	-9,146	-10,936
Group Transfers In from other schemes	0	-9,471
Total	-9,146	**-20,407**

Note 8 - Benefits

	2021/22 £'000	2020/21 £'000
Pensions Payable	80,268	78,221
Lump Sums – Retirement Grants	13,988	11,944
Lump Sums – Death Grants	3,138	1,544
Total	**97,394**	**91,709**

	Pensions Payable		Lump Sums	
	2021/22	2020/21	2021/22	2020/21
	£'000	£'000	£'000	£'000
Oxfordshire County Council	39,124	38,411	7,162	7,375
Scheduled Bodies	34,771	33,924	7,608	4,264
Resolution Bodies	1,094	946	791	608
Community Admission Bodies	4,124	3,921	1,111	769
Transferee Admission Bodies	1,155	1,019	454	472
Total	**80,268**	**78,221**	**17,126**	**13,488**

Note 9 - Payments to and on account of leavers

	2021/22 £'000	2020/21 £'000
Refunds of Contributions	213	247
Payments for members joining state scheme	-2	-4
Group Transfers Out to other schemes	0	1,945
Individual Transfers Out to other schemes	7,527	7,834
Total	**7,738**	**10,022**

Note 10 - Management Expenses

	2021/22 £'000	2020/21 £'000
Administrative Costs	2,951	1,950
Investment Management Expenses	13,776	10,175
Oversight & Governance Costs	1,821	1,641
Total	**18,548**	**13,766**

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.024m (2020/21 £0.024m) for the audit of the Pension Fund's Annual Report and Accounts. Further external audit fees of £0.012m were paid in 2021/22 (2020/21 £0).
A further breakdown of Investment Management Expenses is in Note 12.

Note 11 - Investment Income

	2021/22 £'000	2020/21 £'000
Bonds	-1,907	-3,225
Equity Dividends	-4,189	-2,361
Pooled Property Investments	-5,281	-3,942
Pooled Investments – Unit Trusts & Other Managed Funds	-2,469	-919
Interest on cash deposits	-77	-47
Other – securities lending	-1	-9
	-13,924	**-10,503**
Irrecoverable withholding tax - equities	5	0
Total	**13,919**	**-10,503**

Note 12 - Investment Management Expenses

	2021/22 £'000	2020/21 £'000
Management Fees	13,703	10,083
Custody Fees	73	92
Total	**13,776**	**10,175**

Investment Management & Custody Fees are generally calculated on a fixed scale basis with applicable rates applied to the market value of the assets managed. See Note 3 for details of the accounting treatment of management fees.

Note 13 - Securities Lending
The Fund operated a securities lending programme with its custodian State Street Bank and Trust Company for the duration of the financial year. Collateralised lending generated income of £0.001m in 2021/22 (2020/21 £0.009m). This is included within investment income in the Pension Fund Accounts. At 31 March 2022 £0m (31 March 2021 £0.335m) of stock was on loan, for which the fund held £0m (31 March 2021 £0.374m) worth of collateral. Collateral consists of acceptable securities and government and supranational debt.

Note 14 - Related Party Transactions

The Pension Fund is required to disclose material transactions with related parties, and bodies or individuals that have the potential to control or influence the Pension Fund, or to be controlled or influenced by the Pension Fund. Disclosure of these transactions allows readers to assess the extent to which the Pension Fund might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Pension Fund.

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2021/22, the Committee consisted of nine County Councillors, two District Councillors and a beneficiary observer. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.119m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

*Includes allowances paid to the Chairman of the Pension Fund Committee

These figures represent the relevant proportion of the salary and employer pension contributions for the key Council staff, reflecting their work for the Pension Fund

As the County Council is the designated statutory body responsible for administrating

	2021/22 £'000	**2020/21 £'000**
Short Term Benefits*	102	101
Long Term/Post Retirement Benefits	17	16
Total	**119**	**117**

the Oxfordshire Pension Fund, it is a related party.

For the 12 months ended 31 March 2022, employer contributions to the Pension Fund from the County Council were £32.404m (2020/21 £30.829m). At 31 March 2021 there were receivables in respect of contributions due from the County Council of £4.096m (2020/21 £3.570m) and payables due to the County Council of £0.186m (2020/21 £0.222m).

The County Council was reimbursed £1.553m (2020/21 £1.414m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund.

Brunel Pension Partnership Ltd (Company Number 10429110)

Brunel Pension Partnership Ltd (BPP Ltd) was formed on the 14th October 2016 and oversees the investment of pension fund assets for the following LGPS funds: Avon, Buckinghamshire. Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire.

Each of the 9 Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

	2021/22 £'000	2020/21 £'000
Income	0	0
Expenditure	1,098	1,063
Receivables	0	267
Payables	0	0

Note 15 – Investments

	Value at 31.3.2022 £'000	Value at 31.3.2021 £'000
Investment Assets		
Bonds	80,934	310,417
Equities	164,113	128,163
Pooled Funds:		
- Fixed Income	152,090	210,166
- Index Linked	202,619	0
- Global Equity	1,230,190	1,102,821
- UK Equity	486,075	603,731
- Private Equity	192,661	133,743
- Private Debt	12,204	
- Infrastructure Funds	98,295	51,862
- Diversified Growth Fund	162,007	156,204
- Multi Asset Credit Fund	139,284	
Pooled Property Investments	272,097	211,155
Derivatives:		
- Forward Currency Contracts	126	4,136
- Futures	277	0
Cash Deposits	6,626	26,978
Long-Term Investments	840	840
Investment Income Due	2,134	1,810
Amounts Receivable for Sales	34	751
Total Investment Assets	**3,202,606**	**2,942,777**
Investment Liabilities		
Derivatives:		
- Forward Currency Contracts	-554	-279
- Futures	-74	0
Management Expenses Due	-158	-501
Amounts Payable for Purchases	-390	-20,673
Total Investment Liabilities	**-1,176**	**-21,453**
Net Investment Assets	**3,201,430**	**2,921,324**

Note 15a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2021	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables/ (Payables)	Value at 31 March 2022
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Bonds	310,417	712,588	-951,066	8,995			**80,934**
Equities	128,163	38	-236	36,148			**164,113**
Pooled Investments	2,258,527	2,393,511	-2,184,570	207,957			**2,675,425**
Pooled Property Investments	211,155	61,923	-41,446	40,465			**272,097**
Long-Term Investments	840						**840**
Derivative Contracts FX	3,857	2,228	-5,878	-635			**-428**
Futures	0	1,861	-2,763	1,105			**203**
Other Investment Balances							
Cash Deposits	26,978	50,748	-61,620	-181	-9,299		**6,626**
Amounts Receivable for Sales of Investments	751					-717	**34**
Investment Income Due	1,810					317	**2,134**
Amounts Payable for Purchases of Investments & Management Expenses	-21,174					20,626	**-548**
Total	**2,921,324**	**3,222,897**	**(3,247,579)**	**293,861**	**-9,299**	**20,226**	**3,201,430**

Transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

There have been no employer-related investments at any time during the year.

Purchases and sales relating to derivative contracts consist of forward foreign exchange contracts that are used for the purpose of currency hedging. Further details are contained in note 15c.

	Value at 1 April 2020	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables/ (Payables)	Value at 31 March 2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Bonds	300,087	623,887	-604,199	-9,538			310,417
Equities	86,211	466	-105	41,591			128,163
Pooled Investments	1,729,191	572,509	-596,578	553,405			2,258,527
Pooled Property Investments	161,843	197,222	-147,517	-393			211,155
Long-Term Investments	840						840
<u>Derivative Contracts</u> FX	-3,074	12,208	-11,209	5,932			3,857
Other Investment Balances							
Cash Deposits	28,111	176,234	-177,943	-1,281	1,857		26,978
Amounts Receivable for Sales of Investments	9,596					-8,845	751
Investment Income Due	2,805					-995	1,810
Amounts Payable for Purchases of Investments & Management Expenses	-13,785					-7,389	-21,174
Total	**2,301,825**	**1,582,526**	**-1,537,551**	**589,896**	**1,857**	**-17,229**	**2,921,324**

Note 15b - Analysis of Investments (Excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

Long-Term Investments Assets

	2021/22 £'000	2020/21 £'000
Brunel Pension Partnership Ltd	840	840
Total	**840**	**840**

Bonds

	2021/22 £'000	2020/21 £'000
UK Government	22,248	96,954
Overseas Government	18,405	53,746
UK Government Index Linked	40,281	159,717
Total	**310,417**	**310,417**

Equity Investments

	2021/22 £'000	2020/21 £'000
UK Equities	154,024	119,836
Overseas Listed Equities:		
North America	9,768	7,793
Europe	321	534
Total	**164,113**	**128,163**

Pooled Investment Vehicles

	2021/22 £'000	2020/21 £'000
UK Registered Managed Funds - Property	88,341	73,847
Non UK Registered Managed Funds - Property	18,429	14,516
UK Registered Managed Funds - Other	2,070,974	1,916,718
Non UK Registered Managed Funds - Other	604,451	341,808
UK Registered Property Unit Trusts	113,909	96,592
Non UK Registered Property Unit Trusts	51,418	26,201
Total	**2,947,522**	**2,469,682**

Total Investments (excluding derivative contracts, Cash Deposits and Other Investment Balances)

	2021/22 £'000	2020/21 £'000
	3,193,409	**2,909,102**

Note 15c - Derivative Contracts

Objectives and policies

The Pension Fund Committee have authorised the use of derivatives by some of their Investment Managers as part of the investment strategy for the pension scheme.

The main objectives and policies followed during the year are summarised as follows:

Forward Foreign Exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.
Futures – exchange traded futures are permitted in the fixed interest portfolio to provide exposure to or hedge against movements in the underlying government bonds or interest rates.

Forward Foreign Exchange (FX)
The scheme had open FX contracts at the year-end as follows:

Contract	Settlement Date	Currency Bought £'000	Currency Sold £'000	Asset value at year end £'000	Liability value at year end £'000	Net Forward currency Contracts £'000
Forward OTC	One to six months	454 AUD	250 GBP	8	0	
Forward OTC	One to six months	404 EUR	340 GBP	1	0	
Forward OTC	One to six months	34 GBP	417 SEK	0	0	
Forward OTC	One to six months	2,934 GBP	5,543 AUD	0	-228	
Forward OTC	One to six months	311 GBP	532 CAD	0	-12	
Forward OTC	One to six months	6,577 GBP	7,858 EUR	0	-66	
Forward OTC	One to six months	5,647 GBP	7,709 USD	0	-209	
Forward OTC	One to six months	489 GBP	1,000 NZD	0	-39	
Forward OTC	One to six months	5,064 GBP	790,400 JPY	117	0	
Forward Currency Contracts at 31 March 2022				**126**	**-554**	**-428**
Prior Year Comparative						
Forward Currency contracts at 31 March 2021				**4,136**	**-279**	**3,857**

Futures

The scheme had exchange traded overseas stock index futures outstanding at the year-end relating to its bond portfolio as follows:

Type	Expires	Economic Exposure £'000	Market Value 31 March 2022 £'000	Economic Exposure £'000	Market Value 31 March 2021 £'000
Assets					
Overseas Fixed Income Futures	Less than one year	-16,462	277	0	0
Total Assets			**277**		
Liabilities					
UK Fixed Income Futures	Less than one year	970	-7	0	0
Overseas Fixed Income Futures	Less than one year	713	-67	0	0
Total Liabilities			**-74**		
Total Assets			**203**		

-£780.82 is included within cash balances in respect of initial and variation margins arising on open contracts at the year end.

Note 15d - Other Investment Balances

	2021/22 £'000	2020/21 £'000
Receivables		
Sale of Investments	34	751
Dividend & Interest Accrued	1910	1,586
Inland Revenue	224	224
	2,168	**2,561**
Payables		
Purchase of Investments	-390	-20,673
Management Fees	-155	-496
Custodian Fees	-3	-5
	-548	**-21,174**
Total	**1,620**	**-18,613**

Cash Deposits

	2021/22 £'000	2020/21 £'000
Non-Sterling Cash Deposits	6,626	26,978
Total	**6,626**	**26,978**

The following investments represent more than 5% of the net assets of the scheme

	2021/22 £'000	% of Total Fund	2020/21 £'000	% of Total Fund
FTSE PAB Developed Equity Index Fund	493,610	15.05	0	0
Brunel UK Equity Fund	486,075	14.82	447,802	15.02
Brunel HG ALP GLB EQ	334,815	10.21	352,004	11.80
Blackrock Aquila Life Fund	315,963	9.63	291,898	9.79
L&G Core Plus Bond Fund	202,619	6.18		
L&G World Developed Equity Index Fund	45,363	1.38	210,165	7.05
Insight Broad Opportunities Fund	0	0.00	209,845	7.04
L&G UK FTSE All-Share Equity Index	162,007	4.94	156,204	5.24
	0	0.00	155,929	5.23

Note 16 - Current Assets

	2021/22 £'000	2020/21 £'000
<u>Receivables:</u>		
Employer Contributions	6,902	8,377
Employee Contributions	2,368	2,127
Rechargeable Benefits	1,107	1,058
Transferred Benefits	2,202	1,932
Cost of Early Retirement	236	350
Inland Revenue	11	165
Other	177	863
Cash Balances	67,039	49,415
Total	**80,042**	**64,287**

Note 17 - Current Liabilities

	2021/22 £'000	2020/21 £'000
Transferred Benefits	-151	-1,163
Benefits Payable	-326	-855
Inland Revenue	-1,058	-1,024
Employer Contributions	0	-28
Staff Costs	-146	-116
Consultancy	-12	-9
Other	-140	-120
Total	**-1,833**	**-3,315**

Note 18 - Long-Term Assets

	2021/22 £'000	2020/21 £'000
Employer Contributions	3	6
Costs of Early Retirement	0	34
Total	**3**	**40**

Note 19 – Assets under External Management

The market value of assets under external fund management amounted to £3,001.136m as at 31 March 2022. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

Fund Manager	**31/03/2022 Market Value**		**31/03/2021 Market Value**	
	£'000	**%**	**£'000**	**%**
Brunel Pension Partnership	2,586,085	86.28	1,965,618	70.82
Legal & General	128,237	4.28	537,839	19.38
Wellington	0	0.00	1,179	0.04
Insight	162,007	5.41	156,204	5.63
Adams Street Partners	74,040	2.47	69,222	2.49
Partners Group	45,888	1.53	45,290	1.63
Total	**2,997,208**	**100.00**	**2,775,352**	**100.00**

Note 20 – Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2022	**£'000**	**% of Fund**
HG Capital Trust Plc	84,226	2.57
Aberdeen Private Equity Opportunities Trust Plc	24,799	0.76
BMO Private Equity Trust Plc	19,053	0.58
3i Group Plc	15,895	0.48
KKR + Co Inc Common Stock USD.01	9,768	0.30

Note 22 – Taxation

The scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such the Fund is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. However, the Fund cannot reclaim certain amounts of withholding taxes relating to overseas investment income which are suffered in the country of origin.

Note 22 – Additional Voluntary Contributions

	Market Value 31 March 2022 £'000	Market Value 31 March 2021 £'000
Prudential	13,816	14,060

AVC contributions of £1.134m were paid directly to Prudential during the year (2020/21 - £1.219m).

The AVC provider to the Fund is the Prudential. The assets of these investments are held separately from the Fund. The AVC provider secures additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs their employer (the member body) sends them to Prudential.

Note 23 – Contingent Liabilities and Capital Commitments

As at 31 March 2022 the fund had outstanding capital commitments (investments) totalling £258.535m (31 March 2021 - £268.535m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts 'called' by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

Note 24 – Investment Strategy Statement

Oxfordshire County Council Pension Fund has an Investment Strategy Statement. This is published in the Pension Fund Annual Report and Accounts which is circulated to all scheme employers and is also available on the Council's webpage.

Note 25 - Actuarial Present Value of Promised Retirement Benefits

	2022 £'000	2021 £'000
Present Value of Funded Obligation	4,529	4,677

The movement from March 2021 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £202m (2021 - £205m increase).
There has been a decrease in the present value of the Funded Obligation of £350m (2021 - £953m increase) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- An increase in the assumed level of CPI, and therefore pension increase, to 3.2% from 2.85% (net effect an increase in Present Value of Funded Obligation)
- An increase in the assumed level of salary increases to 3.2% from 2.85% (net effect an increase in Present Value of Funded Obligation)
- An increase in the discount rate to 2.7% from 2.0% (net effect a decrease in Present Value of Funded Obligation).

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections. There will therefore be a retrospective increase to members' benefits, which in turn will give rise to a past service cost for the Fund employers.

Quantifying the impact of the judgement at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Oxfordshire County Council Pension Fund's local assumptions, particularly salary increases and withdrawal rates. The revised estimate is that total liabilities (i.e. the increase in active members' liabilities expressed in terms of the employer's total membership) could be 0.5% higher as at 31 March 2021, an increase of approximately £6m.

These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

Note 26 – Financial Instruments

Note 26a - Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	2021/22			2020/21		
	Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000
Financial Assets						
Bonds	80,934			310,417		
Equities	164,113			128,163		
Pooled Investments	2,675,425			2,258,527		
Pooled Property Investments	272,097			211,155		
Derivatives	403			4,136		
Cash		73,665			76,394	
Long-Term Investments	840			840		
Other Investment Balances	1,944			2,337		
Receivables		91			722	
	3,195,756	**73,756**	**0**	**2,915,575**	**77,116**	**0**
Financial Liabilities						
Derivatives	-628			-279		
Other Investment Balances	-548			-21,174		
Payables			-292			-371
	-1,176	**0**	**-292**	**-21,453**	**0**	**-371**
Total	**3,194,580**	**73,756**	**-292**	**2,894,122**	**77,116**	**-371**

Note 26b – Net Gains and Losses on Financial Instruments

	31-Mar-22 £'000	31-Mar-21 £'000
Financial Assets		
Fair Value through Profit and Loss	294,035	591,177
Loans and Receivables	0	0
Financial Assets at Amortised Cost	-174	-1,281
Financial Liabilities		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
Total	**293,861**	**589,896**

Note 26c – Valuation of Financial Instruments Carried at Fair Value

Financial instruments have been classified in to one of the following three categories to reflect the level of uncertainty in estimating their fair values:

Level 1
Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2
Fair value is based on inputs other than quoted prices included within Level 1 that are observable either directly (i.e., from prices) or indirectly (i.e., derived from prices).
Level 3
Fair value is determined by reference to valuation techniques using inputs that are not observable in the market.

Level 2 includes pooled funds where the valuation is based on the bid price, where bid and offer prices are published, or the net asset value provided by the issuing fund. Within Level 2 there are also listed private equity investments where the market for the security is not deemed active; for these investments the valuation is based on the most recently available bid price in the market.

Included within Level 3 are pooled private equity investments made in Limited Liability Partnerships where fair value is determined using valuation techniques which involve significant judgements by fund managers due to the unquoted nature of the underlying fund investments. The valuations are obtained from the audited financial statements of the issuing funds and are normally adjusted for cashflows where data does not cover the full financial year for the Pension Fund.

Some listed private equity investments have been included within Level 3 of the hierarchy where it has been determined that the market for the fund is inactive. These listed private equity investments are valued using the most recently available bid price in the market.

Categorisation of financial instruments within the levels is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the Fund’s financial assets and liabilities within the fair value hierarchy

Value at 31 March 2022	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Financial Assets	108,541	2,614,511	472,704	3,195,756
Financial Assets at Fair Value through Profit & Loss	73,756	0	0	73,756
Financial Assets at Amortised Cost	**182,297**	**2,614,511**	**472,704**	**3,269,512**
Total Financial Assets				
Financial Liabilities	-548	-628	0	-1,176
Financial Liabilities at Fair Value through Profit & Loss	-292	0	0	-292
Financial Liabilities at Amortised Cost	**-840**	**-628**	**0**	**-1,468**
Total Financial Liabilities				
Net Financial Assets	**181,457**	**2,613,883**	**472,704**	**3,268,044**

Value at 31 March 2021	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	333,756	2,366,144	215,675	2,915,575
Financial Assets at Amortised Cost	77,116	0	0	77,116
Total Financial Assets	**410,872**	**2,366,144**	**215,675**	**2,992,691**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-21,174	-279	0	-21,453
Financial Liabilities at Amortised Cost	-371	0	0	-371
Total Financial Liabilities	**-21,545**	**-279**	**0**	**-21,824**
Net Financial Assets	**389,327**	**2,365,865**	**215,675**	**2,970,867**

Reconciliation of Movement in Level 3 Financial Instruments

	UK Equities £'000	Pooled Private Equity Funds £'000	Pooled Property Funds £'000	Pooled Infrastructure Funds £'000	Pooled Private Debt Funds	Multi Asset Credit Funds £'000	Long-Term Investments £'000
Market Value 31 March 2021	**758**	**133,739**	**28,472**	**51,862**	**0**	**0**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0		0	0	0	0
Purchases	0	37,949	1,450	40,162	12,141	226,930	0
Sales	0	-32,817	-7,076	-2,587	-242	-85,998	0
Unrealised Gains/(Losses)	-36	39,385	4,687	8,885	305	-1,918	0
Realised Gains/(Losses)	0	14,405	1,165	-27	0	270	0
Market Value 31 March 2022	**722**	**192,661**	**28,698**	**98,295**	**12,204**	**139,284**	**840**

	UK Equities £'000	Pooled Private Equity Funds £'000	Pooled Property Funds £'000	Pooled Infrastructure Funds £'000	Long-Term Investments £'000
Market Value 31 March 2020	**1,150**	**95,782**	**161,843**	**31,298**	**840**
Transfers In	0	0	0	0	0
Transfers Out	0	0	-132,678	0	0
Purchases	0	16,445	3,354	24,033	0
Sales	0	-14,770	-3,401	-6,097	0
Unrealised Gains/(Losses)	-392	26,841	-1,250	2,628	0
Realised Gains/(Losses)	0	9,441	604	0	0
Market Value 31 March 2021	**758**	**133,739**	**28,472**	**51,862**	**840**

Level 3 Sensitivities

Level 3 Investments	Valuation Range +/-	Value at 31 March 2022 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	722	794	650
Pooled Private Equity Funds	10%	192,661	211,927	173,395
Pooled Property Funds	3%	28,698	29,559	27,837
Pooled Infrastructure Funds	5%	98,295	103,209	93,380
Pooled Private Debt Funds	5%	12,204	12,814	11,594
Multi Asset Credit Funds	5%	139,284	146,248	132,320
Long-Term Investments	0%	840	840	840

Level 3 Investments	Valuation Range +/-	Value at 31 March 2021 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	758	834	682
Pooled Private Equity Funds	10%	133,743	147,117	120,369
Pooled Property Funds	3%	28,472	29,326	27,618
Pooled Infrastructure Funds	5%	51,862	54,455	49,269
Long-Term Investments	0%	840	840	840

Note 27 - Risk

The Pension Fund is subject to risk in terms of its key responsibility to meet the pension liabilities of the scheme members as they become due. These risks relate to the value of both the assets and the liabilities of the Fund and the timing of when the payment of the liabilities becomes due.

At a strategic level, the main tools used by the Pension Fund to manage risk are:

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2019 Valuation estimated that the current Funding Level is 99%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds, and sets out the approach to the mitigation of investment risk.
- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.
- The regular review of the performance of all Fund Managers.

Key elements of the approach to managing the investment risk as set out in the Investment Strategy Statement include:

- Maintaining an element of the asset allocation in assets such as fixed income securities, the behaviour of which closely mirrors that of the Fund's liabilities. The allocation to liability matching assets is regularly reviewed with the intention that the allocation will increase as the maturity of the fund increases, as was the case following the 2016 valuation. Whilst the Fund maintains a high proportion of active members where the payment of liabilities is not due for many decades and remains cashflow positive, the Fund can afford to seek the higher investment returns associated with the more volatile and illiquid asset classes.
- Maintaining an element of the asset allocation in passive equity funds which removes the risk associated with poor manager performance (though retaining the market risk).
- Ensuring a diversification amongst asset classes, and in particular an allocation to alternative asset classes for which performance has historically not correlated to equity performance.
- Ensuring a diversification of Fund Managers and investment styles (e.g. some with a growth philosophy, some with a value philosophy) to mitigate the risk of poor manager performance impacting on asset values.
- The Fund's policy on ensuring Environmental Social & Governance factors are taken into account in investment decisions. During 2019/20 the Fund developed a Climate Change Policy dealing with how it will manage climate change related risks and opportunities. The policy was developed as the Fund sees climate change as single most significant risk to long-term investment performance given its systemic nature.

The key risks associated with the level of liabilities stem from the level of initial pension benefit payable, the indexation of this benefit and the time the benefit is in payment for. These risks largely lie outside the control of the Pension Fund. Changes to the scheme were made in 2014 with the aim of making the scheme more sustainable including; linking the normal retirement age to future estimates of life expectancy to bring stability to the length of time benefits are in payment, a change in the calculation of benefits to career average revalued earnings to avoid the sudden hike possible in final benefits possible under a final salary scheme, and a switch in the basis of indexation to CPI which is generally lower than the RPI alternative.

The Actuary, when completing the 2019 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A variation of 0.1% per annum in the discount rate would move the calculated funding level from 99% down to 98% or up to 100%. A change in the CPI assumption of 0.1% per annum would lead to a reduction in the funding level to 98% or an increase to 100%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 98% or up to 100%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.
- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

Credit Risk

The Pension Fund's credit risk is largely associated with the Fund's investments in Fixed Interest and Index Linked Securities, Cash Deposits and Short Term Loans, where there is a risk that the other parties may fail to meet the interest or dividend payments due, or fail to return the Fund's investment at the end of the investment period.

At 31 March 2022 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31 March 2022 £'000	31 March 2021 £'000
UK Government Gilts	22,248	96,954
UK Corporate Bonds	152,091	210,166
UK Index Linked Gilts	242,900	159,717
Overseas Government Bonds	18,405	53,746
Multi Asset Credit Funds	139,284	0
Non-Sterling Cash Deposits	6,626	26,978
Cash Balances	67,039	49,415
Total	**648,593**	**596,976**

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2022 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2022 £'000	Rating	Balance at 31 March 2021 £'000
Money Market Funds				
Aberdeen Standard	AAA	25,004	AAA	5,000
State Street Global Advisors	AAA	41,625	AAA	43,147
Bank Current Accounts				
Lloyds Bank Plc	A+	5,941	A+	1,740
Santander UK Plc	A+	0	A+	14,955
State Street Bank & Trust Co	AA+	1,095	AA+	11,552
Total		**73,665**		**76,394**

The Pension fund has no experience of default against which to quantify the credit risk against the current investments.

Liquidity Risk

Liquidity risk represents the risk that the Fund will be unable to meet its financial obligations as they fall due. At the present time, the liquidity risk is seen, relatively, as the greatest threat to the Pension Fund, although the absolute risk itself is still seen to be very low, particularly in the short term.

During 2021/22 the Pension Fund received/accrued income related to dealings with members of £113.2m (2020/21 £134.0m) and incurred expenditure related to dealings with members of £123.7m (2020/21 £115.5m). There were further receipts/accruals of £13.9m (2020/21 £10.5m) in respect of investment income, against which need to be set taxes of £0m (2020/21 £0m). The net inflow was therefore £3.4m (2020/21 £29.1m).

The figures show that the Fund is still cashflow positive at the whole fund level. A cash flow forecast is maintained for the Fund to understand and manage the timing of the Fund's cash flows. On a daily basis, the Fund holds a minimum of £40m of cash in call accounts and money market funds to meet benefit payments due, drawdowns from fund managers, and other payments due from the Fund. The Fund has also looked at longer-term cashflow forecasts to gain a greater understanding of when the balance of pension payments and contributions may become negative so as to consider how this may affect the Fund's investment strategy in the future. The Fund has already taken some steps in this regard including allocating to the Secured Income portfolio offered by Brunel Pension Partnership.

The Fund would need to experience a significant change in either the levels of contributions received, and/or the levels of benefits payable, as well as the loss of all current investment income, before it might be required to liquidate assets at financial loss.

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.
However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

Market Risk

The whole of the Pension Fund's investment asset base is subject to financial loss through market risk, which includes the impact of changes in interest rates, movements in market prices and movements in foreign currency rates. However, as noted above under the liquidity risk, these financial losses are not automatically realised, as all assets held by the Pension Fund are done so on a long-term basis. Subject to the liquidity risk above, it is likely to be many

years into the future before any assets will be required to be realised, during which time market risk will have the opportunity to even itself out.
Market risk is generally managed through diversification of investments within the portfolio in terms of asset types, geographical and industry sectors, and individual securities.

Whilst widespread recession will drive down the value of the Fund's assets and therefore funding level in the short term, this will have no direct bearing on the long-term position of the Fund, nor the contribution rates for individual employers. Under the LGPS Regulations, the Fund Actuary is required to maintain as near stable contribution rate as possible, and as such the Valuation is based on long term assumptions about asset values, with all short-term movements smoothed to reflect the long-term trends.

Interest Rate Risk
The direct exposure of the fund to interest rate risk and the impact of a 100 basis point movement in interest rates are presented in the table below. This analysis assumes that all other variables remain constant:

Asset Type	Carrying Amount as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	6,626	66	-66
Cash Balances	67,039	670	-670
Bonds	435,644	4,357	-4,357
Multi Asset Credit Funds	139,284	1,393	-1,393
Total Change in Assets Available	**648,593**	**6,486**	**-6,486**

Asset Type	Carrying Amount as at 31 March 2021	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	26,978	270	-270
Cash Balances	49,415	494	-494
Bonds	520,583	5,206	-5,206
Total Change in Assets Available	**596,976**	**5,970**	**-5,970**

In the short term, interest rate risk is difficult to quantify in that it impacts directly on both the price of fixed interest and index linked securities as well as the discount factor used to value liabilities. Increases in interest rates which will drive down security prices and asset values will also reduce the future pension liabilities and therefore improve funding levels rather than worsen them.

Currency Risk
Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's

functional currency (£GBP). Risks around foreign currency rates are mitigated in part by allowing the Fund Managers to put in place currency hedging arrangements up to the value of the stock held in a foreign currency (also see note 15c).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.

This analysis assumes that all other variables remain constant.

Currency Exposure - Asset Type	**Asset Values as at 31 March 2022**	**Change in Year in the Net Assets Available to Pay Benefits**	
		10.00%	**-10.00%**
	£'000	**£'000**	**£'000**
Overseas Equities	10,089	1,009	-1,009
Pooled Global Equities	1,230,190	123,019	-123,019
Pooled Private Equity (LLPs)	151,779	15,178	-15,178
Pooled Property	43,070	4,307	-4,307
Infrastructure	68,016	6,802	-6,802
Cash	6,626	662	-662
Total Change in Assets Available	**1,509,770**	**150,977**	**-150,977**

Currency Exposure - Asset Type	**Asset Values as at 31 March 2021**	**Change in Year in the Net Assets Available to Pay Benefits**	
		10.00%	**-10.00%**
	£'000	**£'000**	**£'000**
Overseas Equities	8,327	833	-833
Pooled Global Equities	1,102,820	110,282	-110,282
Pooled Private Equity (LLPs)	113,308	11,331	-11,331
Pooled Property	40,716	4,072	-4,072
Infrastructure	37,121	3,712	-3,712
Cash	26,978	2,698	-2,698
Total Change in Assets Available	**1,329,270**	**132,928**	**-132,928**

Other Price Risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or foreign exchange risk.

All investments in securities present a risk of loss of capital. The maximum risk is the fair value of the financial instrument.

The effect of various movements in market price are presented in the table below along with the effect on total assets available to pay benefits assuming all other factors remain constant:

	Value as at 31 March 2022	Percentage Change	Value on Increase	Value on Decrease
Asset Type	**£'000**	**%**	**£'000**	**£'000**
UK Equities	154,024	10.0	169,427	138,621
Pooled UK Equities	486,075	10.0	534,683	437,468
Global Equities	10,089	10.0	11,097	9,079
Diversified Growth Fund	162,007	3.0	166,867	157,147
Pooled Global Equities	1,230,190	10.0	1,353,209	1,107,171
UK Bonds	22,248	5.0	23,360	21,136
Overseas Bonds	18,405	5.0	19,325	17,485
UK Index Linked Bonds	40,281	5.0	42,295	38,267
Pooled Corporate Bonds	152,090	5.0	159,695	144,486
Infrastructure	98,295	5.0	103,210	93,380
Pooled Private Equity (LLPs)	192,661	10.0	211,927	173,395
Pooled Property	272,097	3.0	280,260	263,934
Multi Asset Credit Fund	139,284	5.0	146,249	132,321
Index Linked Pooled Fund	202,619	5.0	212,750	192,488
Private Debt	12,204	5.0	12,814	11,593
Long-Term Investments	840	0.0	840	840
Cash	73,665	0.0	73,665	73,665
Total Assets Available to Pay Benefits	**3,267,074**		**3,521,673**	**3,012,476**

Asset Type	Value as at 31 March 2021 £'000	Percentage Change %	Value on Increase £'000	Value on Decrease £'000
UK Equities	119,836	10.0	131,819	107,852
Pooled UK Equities	603,731	10.0	664,104	543,358
Global Equities	8,327	10.0	9,160	7,494
Diversified Growth Fund	156,204	3.0	160,890	151,518
Pooled Global Equities	1,102,820	10.0	1,213,102	992,538
UK Bonds	96,954	5.0	101,802	92,106
Overseas Bonds	53,746	5.0	56,433	51,059
UK Index Linked Bonds	159,717	5.0	167,703	151,731
Pooled Corporate Bonds	210,166	5.0	220,674	199,658
Infrastructure	51,862	5.0	54,455	49,269
Pooled Private Equity (LLPs)	133,743	10.0	147,117	120,369
Pooled Property	211,155	3.0	217,490	204,820
Long-Term Investments	840	0.0	840	840
Cash	76,393	0.0	76,393	76,393
Total Assets Available to Pay Benefits	**2,985,494**		**3,221,982**	**2,749,005**

Note 28 - Actuarial Valuation

The contribution rates within the 2021/22 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2019.
This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2022 was 19.9% of Pensionable Pay. The corresponding rates of contribution that are required from the major participating employers for this period are:

	% Pay	Additional Monetary Amounts £'000
South Oxfordshire District Council	22.9	-
West Oxfordshire District Council	17.6	605
Cherwell District Council	15.9	-
Oxford City Council	16.2	-
Vale of White Horse District Council	31.8	-
Oxford Brookes University	14.8	-

The funding policy of the scheme is set out in the Funding Strategy Statement and can be summarised as follows:-

- To enable Employer contribution rates to be kept as stable as possible and affordable for the Fund's Employers.
- To make sure the Fund is always able to meet all its liabilities as they fall due.
- To manage Employers' liabilities effectively.
- To enable the income from investments to be maximised within reasonable risk parameters.

The actuarial method used to calculate the future service contribution rate for Employers was a risk-based approach. The risk-based approach uses an Asset Liability Model to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The market value of the Fund's assets at the valuation date was £2,515m representing 99% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2020 which, subject to the financial assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.
The main financial assumptions were as follows:

Assumptions for the 2019 Valuation	Annual Rate %
Pension Increases	2.3
Salary Increases	2.3
Discount Rate	4.3

Assumptions are also made on the number of leavers, retirements and deaths. One of the important assumptions is the mortality of existing and future pensioners. Mortality rates have been based on up to date national standard tables adjusted for the recent experience of the Oxfordshire County Council Pension Fund and make allowance for an expectation of further improvements in mortality rates in the future.

Oxfordshire County Council Pension Fund ("the Fund") Actuarial Statement for 2021/22

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated December 2020. In summary, the key funding principles are as follows:

• to ensure the long-term solvency of the Fund using a prudent long term view. This will ensure that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment;

• to ensure that employer contribution rates are reasonably stable where appropriate;

• to minimise the long-term cash contributions which employers need to pay to the Fund, by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return (this will also minimise the costs to be borne by Council Tax payers);

• to reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and

• to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 75% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2019. This valuation revealed that the Fund's assets, which at 31 March 2019 were valued at £2,515 million, were sufficient to meet 99% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting deficit at the 2019 valuation was £31 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and liability measure as per the FSS. Individual employers' contributions for the period 1 April 2020 to 31 March 2023 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2019 valuation report.

Method
The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions
A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2019 valuation were as follows:

Financial assumptions	31 March 2019
Discount rate	4.3%
Salary increase assumption	2.3%
Benefit increase assumption (CPI)	2.3%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	22.2 years	24.3 years
Future Pensioners*	22.9 years	25.6 years

*Aged 45 at the 2019 Valuation.

Copies of the 2019 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund.

Experience over the period since 31 March 2019
Markets were severely disrupted by COVID 19 in March 2020, but over most of 2020/21 and 2021/22 they recovered strongly. However, due to the war in Ukraine, March 2022 markets were particularly volatile, which affects values as at the accounting date. All other things being equal, the funding level of the Fund as at 31 March 2022 is likely to be better than that reported at the previous formal valuation as at 31 March 2019.
It is important to note that the formal triennial funding valuation exercise is as at 31 March 2022 and this may show a different picture when the finalised position is disclosed in next year's annual report. In particular, changes in Fund membership, changes in anticipated real investment returns, and changes in demographic assumptions will affect the valuation results. The Funding Strategy Statement will also be reviewed as part of the triennial funding valuation exercise.

Tom Hoare FFA
For and on behalf of Hymans Robertson LLP
20 July 202

SUMMARY OF BENEFITS AT MARCH 2022

Introduction

Membership of the Local Government Pension Scheme (LGPS) secures entitlement to benefits that are determined by statute, contained within the LGPS Regulations. The regulations current for this year's report were effective from April 2014. A summary of the main benefit structure follows. There is further specific information in the sections, making up an Employee Guide currently held on the pension pages of the County public website.
www.oxfordshire.gov.uk/lgpsmembersguide

• Employers' Discretion

The regulations require each employer within the Oxfordshire Fund to determine their own local policy in specific areas. These policy statements have to be published and kept under review.
The specific areas include how employers will exercise discretionary powers to, award additional pension for a member, agreement to flexible retirement on request of the member ,setting up a shared cost AVC scheme, and waiving the reduction to a pension which is being paid early.

• Retirement

The 2014 scheme reintroduced the 2 year vesting period to qualify for any benefit other than that following a death in service. The scheme retirement age is linked to State Pension Age (SPA) for men and women, membership of the scheme continues when employment continues after SPA. All pensions contributions must cease before the 75th birthday.
Scheme benefits can be taken voluntarily after leaving employment from age 55, but the benefit payable will be reduced. Alternatively when retirement is deferred until after SPA, the benefit will be increased.

The regulations confirm 'normal retirement age' to be the personal state retirement age but not before age 65, but protection is offered to those members who previously had the entitlement for earlier retirement with an unreduced benefit. The protections offered are limited according to the age of the member and may not apply on the whole of their membership.

The earliest age for payment of pensions is age 55 and from April 2014 employer's approval is no longer required.

Flexible retirement options, from age 55 were introduced from April 2006. A person could reduce their hours or grade and request a payment of pension while continuing in employment. Employers have to agree to the whole arrangement.

Ill health retirement – the Regulations provide 3 tiers of benefit depending upon the likelihood of the member being able to obtain gainful employment in the future. An employer's assessment for ill health pension is based upon capability to carry out duties of the member's current job and must be supported by appropriate independent medical certification.

From age 55, unreduced benefits are payable immediately when an employer terminates employment due to a redundancy or efficiency dismissal.

• Benefits

A retirement benefit, whether payable immediately or deferred, consists of an annual retirement pension and lump sum retirement grant for membership to 31 March 2008 and an annual retirement pension on membership from April 2008 (see below). However there is an option for members to convert pension to lump sum retirement grant. The minimum period of membership to qualify for retirement benefits is 2 years. The standard pension calculation, for membership to

31 March 2008, is 1/80 of final years' pensionable pay for each year of membership and the retirement grant is 3/80 of final year's pensionable pay for each year of membership. From 1 April 2008 to 31 March 2014 the standard calculation is 1/60 of final years' pensionable pay for each year of membership. From April 2014 the standard calculation is pay x 1/49 for the year with annual pension revaluation. NB Where members choose to pay into the 50/50 section of the scheme their accrual for that period will be pay x 1/98 and not 1/49 as shown.

Example – retirement in 2020

25 years membership to 31 March 2014 and then six years in the 'new scheme', 'final pay' and career average pay £15,000 as at 31 March 2020

Annual Pension

20 years x 1/80 x £15,000 = **£3,750**

5 years x 1/60 x £15,000 **= £1,250**

£15,000 x 6/49 = **£1,836.73**

Retirement Grant

20 years x 3/80 x £15,000 = **£11,250**

Members can choose at retirement to exchange pension for a larger retirement grant lump sum. AVC funds can also be used to provide a larger tax free lump sum. This combined lump sum can be up to 25 percent of the member's individual total pension fund value.

There are differences for elected members: Final pay is derived from career average pay and the benefit calculation remains for the time being as 1/80 for annual pension and 3/80 retirement grant. Elected members can only remain in the LGPS for their current period of office, and is not available for newly elected councillors.

• Liability to pay future benefits

The Pension Fund financial statements provide information about the financial position, performance and financial arrangements of the Fund. They are intended to show the results of the stewardship and management, that is the accountability of management for the resources entrusted to it, and of the disposition of its assets at the period end. The only items that are required to be excluded by regulations are liabilities to pay pensions and other benefits in the future, which are reported upon in the actuary's statement.

• Increasing Benefits

Scheme members have several options as to how they increase their benefits, additional contributions to the LGPS or by contributing to the group AVC scheme arranged with the Prudential.

Additional Regular contributions (ARC's) to the LGPS to buy additional pension and set up before 1 April 2014 may continue but opening a new ARC is not possible.

Additional Pension Contributions (APC) gives members the opportunity to buy additional pension of up to £6,675. Payment can be made by a one off, or regular monthly payments.

Prudential AVCs. A member's additional contributions are invested by the Prudential to enable an annuity to be bought at retirement either from the Prudential, on the open market or as a top up pension with the LGPS. In certain protected circumstances the AVC value may also be used to buy additional LGPS membership

Members may also make their own arrangements using a stakeholder pension or an FSAVC.

• Death

Following a death in service a death grant of up to three times pensionable pay is payable. There are no minimum service requirements to qualify, but there are limits to the total of death grant payable if the member also has pensions on payment or in deferment. Scheme members are recommended to keep their 'expression of wish' nominations current.

• Pensions are due to the eligible survivors: partners and /or children. The pension due to survivors reflects the changing regulations and the partnership status. Whilst the regulations no longer require prior nomination of co-habitees, eligibility must be determined before

making payment. Widows' and Widowers' Pension; Civil Partners' Pension; Nominated co-habiting partners' Pension
The formula for pensions for surviving partners is 1/160 of the members' final year's pensionable pay for the allowable membership to 31 March 2014 with enhancements assessed under the CARE scheme from 1 April 2014 until the members state retirement age.

For a widow or widower married before the member left employment all of membership can be used.

For civil partners and cohabiting partners only membership from 6 April 1988 is allowable for pension calculations.

♦ INVESTMENT STRATEGY STATEMENT

Introduction

The Pension Fund Committee has drawn up this Investment Strategy Statement (ISS) to comply with the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and the accompanying Guidance on Preparing and Maintaining an Investment Strategy Statement. The Authority has consulted its Actuary and Independent Financial Adviser in preparing this statement.

The ISS is subject to periodic review at least every three years and more frequently if there are any developments that impact significantly on the suitability of the ISS currently in place. Investment performance is monitored by the Committee on a quarterly basis and may be used to check whether actual results are in-line with those expected under the ISS.

The Committee will invest any Fund money not immediately required to make payments from the Fund in accordance with the ISS. The ISS should be read in conjunction with the Fund's Funding Strategy Statement.

Governance Overview

Oxfordshire County Council is the designated statutory body responsible for administering the Oxfordshire Pension Fund. The Pension Fund Committee acts on the delegated authority of the Administering Authority and is responsible for setting investment policy, appointing suitable persons to implement that policy and carrying out regular reviews and monitoring of investments.

The Director of Finance has delegated powers for investing the Oxfordshire Pension Fund in accordance with the policies determined by the Pension Fund Committee. The Committee is comprised of nine County Councillors plus two District Council representatives. A beneficiaries' representative attends Committee meetings as a non-voting member.

The Committee meets quarterly and is advised by the Director of Finance and the Fund's Independent Financial Adviser. The Committee members are not trustees, although they have similar responsibilities.

Investment Objectives

The Fund's primary objective is to ensure that over the life of the Fund it has sufficient funds to meet all pension liabilities as they fall due. In seeking to achieve this aim, the investment objectives of the Fund are:

1. to achieve and maintain a 100% funding level;
2. to ensure there are sufficient liquid resources available to meet the Fund's current liabilities and investment commitments;
3. for the overall Fund to outperform the benchmark, set out in the next section, by 1.0% per annum over a rolling three-year period (N/B The Secured Income, Diversified Growth Fund and Infrastructure portfolios do not have a benchmark as such, but target

cash returns plus a given percentage. They do not therefore contribute to the outperformance target).

Asset Allocation

The decision on asset allocation determines the allocation of the Fund's assets between different asset classes. The Committee believes that this is the single most important factor in the determination of the Fund's investment outcomes. In setting the asset allocation the Fund has considered advice from its Independent Financial Adviser and a report from advisers MJ Hudson on investment scenarios against the efficient frontier and the investment implications of the latest cash flow forecasts produced by the Fund Actuary.

Every three years, following the actuarial valuation, there is a fundamental review of how the assets are managed. This review considers the most appropriate asset allocation for the Fund in order to achieve its investment objectives and considers advice from the Fund's Independent Financial Adviser. A balance is sought between risk, return and liquidity. The most recent review was undertaken in February 2020.

Diversification is the Fund's primary tool for managing investment risk. Diversification can improve returns and reduce portfolio volatility by ensuring that investment risk is not concentrated in a particular asset class or investment style and by reducing exposure to losses through poor performance of an individual asset class. In considering asset class correlations it is acknowledged that these vary over time and as such, are not indicators of how assets will behave relative to each other in the future. Taking this into account, the Committee believes that spreading investments over a wide range of asset classes is the most appropriate way to benefit from diversification having considered the factors that may cause values for various asset classes to move in the future.

The Committee has developed the following guidelines to assist in ensuring appropriate diversification is maintained:

1. Exposure to a single security will be limited to 10% of the total portfolio.
2. No single investment shall exceed 35% of the Fund's total portfolio.
3. Not more than 10% of the Fund may be held as a deposit in any single bank, institution or person.

In considering the asset classes used to build the Fund's overall portfolio, consideration has been given to the suitability of those investments given the Fund's investment objectives and advice has been taken from the Fund's Independent Financial Adviser. The fund broadly defines assets as either return-seeking or liability-matching assets and seeks to develop an appropriate balance between these categories. Each asset class should be understood by the Committee, be consistent with the Fund's risk/return objectives, and provide the most effective solution for delivering a target outcome.

The Fund currently constructs its investment portfolio using eleven distinct asset classes. A target allocation and range is set for each asset class as shown in the table below.

Asset Class	Target Allocation (%)	Range (%)
UK Equities Developed World (excl UK) Equities Emerging Market Equities	21 26 4	19 - 23 24 - 28 3-5
Total Equities	**51**	**46 - 56**
UK Gilts Corporate Bonds Index-Linked Bonds Overseas Bonds	3 6 5 2	
Total Bonds	**16**	**14 - 18**
Property Private Equity Private Debt Multi-Asset Infrastructure Secured Income Cash	8 9 3 5 3 5 0	6 - 10 7 - 11 2 - 4 4 - 6 2 – 4 4 – 6 0 - 5
Total Other Assets	33	**26 - 40**

Investment Implementation

It is the Fund's Policy to implement its asset allocation through the portfolios offered by Brunel. Where Brunel do not offer a current portfolio, a request will be made under the agreed Brunel policy for the creation of new portfolios. New investments will only be made outside the pool where Brunel are unable to offer a requested portfolio, normally as a result of the current FCA permissions, or as an interim measure whilst waiting for a Brunel Portfolio to be established, or commitments to the private markets to be called.

When overseeing the selection processes of the Brunel Pension Partnership, the Pension Fund will look at the most cost-effective way of delivering the required investment out-performance rather than have a narrow focus on cost. Ultimately, it is the investment performance net of costs achieved by the Fund Managers which determines the success of the Fund in meeting its objectives.

When making asset allocation decisions for some asset classes there is a choice available between active and passive management. The Fund believes that active management can provide benefits above passive management in some situations. Active management gives the potential for outperformance relative to the passive benchmark through the selection of holdings expected to outperform the general market and through the use of cash to protect against downside risk. In considering the most appropriate type of mandate the Fund will consider the potential for outperformance, fees and risk. For some investment classes there are not passive

investment solutions currently available but the Fund will work with Brunel to monitor the market to identify any new products that are developed in the passive arena.

Where directly appointed, the individual managers' performance, current activity and transactions are monitored quarterly by the Pension Fund Committee. Where the portfolios are now managed by the Brunel Company, it is their responsibility to monitor individual Fund Manager performance, with the Pension Fund Committee responsible for monitoring the performance of the Brunel Company, and getting assurance that they are monitoring the underlying Fund Managers appropriately.

The assets are currently managed as set out in the following table.

Asset Class	Investment Manager	Benchmark	Annual Target
UK Equities	Brunel Brunel	FTSE All-Share FTSE All-Share	+2.0% Passive
Developed World Equities	Brunel Brunel	FTSE Developed MSCI World	Passive +2 – 3%
Global Equities	UBS	MSCI All Countries World Index	+ 3.0%
Emerging Market Equities	Brunel	MSCI Emerging Market	+ 2.0% - 3.0%
Low Carbon	Brunel	MSCI World	Passive
Bonds & Index Linked - UK Gilts - Index Linked - Corporate bonds - Overseas bonds	Legal & General	FTSE A All Gilts Stocks FTSE A Over 5 year IBoxx Sterling Non-Gilts JPMorgan Global Govt (ex UK) traded bond	+ 0.6%
Property	UBS Global Asset Management	IPD UK All Balanced Funds Index	+1.0%
Private Equity - Quoted Inv. Trusts - Limited Partnerships	Director of Finance Adams Street Partners Group Brunel	FTSE Smaller Companies (Including Investment Trusts) MSCI ACWI	+ 1.0% +3.0%
Diversified Growth Fund	Insight	3 month Libid	+ 4.0%
Infrastructure	Brunel	CPI	+4.0%
Secured Income	Brunel	CPI	+2.0%

Cash	Internal	3 month Libor	-

Target performance is based on rolling 3-year periods

Rebalancing

The primary goal of the rebalancing strategy is to minimize risk relative to a target asset allocation, rather than to maximize returns. Asset allocation is the major determinant of the portfolio’s risk-and-return characteristics. Over time, asset classes produce different returns, so the portfolio’s asset allocation changes. Therefore, to recapture the portfolio’s original risk-and-return characteristics, the portfolio needs to be rebalanced.

The Fund has set ranges for the different assets included in the asset allocation, these are not hard limits but there would need to be a clear rationale for maintaining an allocation outside the ranges for any significant length of time. The fund takes a pragmatic approach to rebalancing and is cognisant that rebalancing latitude is important and can significantly affect the performance of the portfolio. Blind adherence to narrow ranges increases transaction costs without a documented increase in performance. While a rebalancing range that is too wide may cause undesired changes in the asset allocation fundamentally altering its risk/return characteristics.

Rebalancing meetings take place on a quarterly basis where the most recent asset allocation is reviewed against the target allocations and the ranges in place. A number of factors are taken into account in the decision on whether to rebalance which includes, but is not limited to; current and forecast market dynamics, and known future investment activity at the Fund level.

Where a decision is made to undertake rebalancing the Fund aims to use cash to rebalance as far as possible, as this will minimise transaction costs and keep the cash holding closer to target avoiding the need for future transactions with associated costs. The rebalancing action will not necessarily take place immediately after a decision has been made as consideration is given to market opportunities and transaction costs.

Restrictions on Investments

The Regulations have removed the previous restrictions that applied under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009. These restrictions set limits for types of investment vehicles but not for asset classes. The Committee’s approach to setting its investment strategy and assessing the suitability of different types of investment takes into account the various risks involved and rebalancing is undertaken as described above to ensure asset allocations are kept at appropriate levels. When making investment decisions the suitability of the proposed investment structure is considered to ensure that it is the most efficient in meeting the Fund’s objectives. Therefore, it is not felt necessary to set any additional restrictions on investments.

In accordance with the regulations the Fund is not permitted to invest more than 5% of the total value of all investments of fund money in entities which are connected with the Administering Authority within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007(d).

Risk

The overall risk for the Fund is that its assets will be insufficient to meet its liabilities. The Funding Strategy Statement, which is drawn up following the triennial actuarial valuation of the Fund, sets out how any deficit in assets compared with liabilities is to be addressed.

Underlying the overall risk, the Fund is exposed to demographic risks, regulatory risks, governance risks and financial risks (including investment risk). The measures taken by the Fund to control these risks are included in the Funding Strategy Statement and are reviewed periodically by the Committee via the Fund's risk register. Further details on the risk management process and risks faced by the Pension Fund are also included in the Annual Report and Accounts document produced by the Fund. The primary investment risk is that the Fund fails to deliver the returns anticipated in the actuarial valuation over the long term. The Committee anticipates expected market returns on a prudent basis to reduce the risk of underperforming expectations.

It is important to note that the Fund is exposed to external, market driven, fluctuations in asset prices which affect the liabilities (liabilities are estimated with reference to government bond yields) as well as the valuation of the Fund's assets. Holding a proportion of the assets in government bonds helps to mitigate the effect of falling bond yields on the liabilities to a certain extent. Further measures taken to control/mitigate investment risks are set out in more detail below:

Concentration
The Committee manages the risk of exposure to a single asset class by holding different categories of investments (e.g. equities, bonds, property, alternatives and cash) and by holding a diversified portfolio spread by geography, currency, investment style and market sectors. Each asset class is managed within an agreed permitted range to ensure that the Fund does not deviate too far away from the Benchmark, which has been designed to meet the required level of return with an appropriate level of exposure to risk, taking into consideration the level of correlation between the asset classes.

Volatility
The Benchmark contains a high proportion of equities with a commensurate high degree of volatility. The strong covenant of the major employing bodies and the current forecast cashflow position enables the Committee to take a long term perspective and to access the forecast inflation plus returns from equities.

Performance
Investment managers are expected to outperform the individual asset class benchmarks detailed in the overall Strategic Asset Allocation Benchmark. The Committee takes a long term approach to the evaluation of investment performance but will take steps to address persistent underperformance. Investment managers are required to implement appropriate risk management measures and to operate in such a way that the possibility of undershooting the performance target is kept within acceptable limits. The Fund Managers report on portfolio risk each quarter and are required to provide internal control reports to the Fund for review on an annual basis. A proportion of assets are invested passively to reduce the risks from manager underperformance.

Where Brunel are responsible for the management of a portfolio, it is their responsibility to monitor the performance of the underlying investment managers and take any action necessary to address any performance issues. The Committee will receive reports from Brunel on the performance of their portfolios and can challenge them at Committee meetings. Brunel will also provide assurance reports to the Client Group and Oversight

Board detailing the results of their monitoring processes, including setting out actions they are taking to address performance.

Illiquidity

Close attention is paid to the Fund's projected cash flows; the Fund is currently cash flow positive, in that annually there is an excess of cash paid into the Fund from contributions and investment income after pension benefits are paid out. The Fund expects to be cash flow positive for the short to medium term. Despite the significant proportion of illiquid investments in the Fund, a large proportion of the assets are held in liquid assets and can be realised quickly, in normal circumstances, in order for the Fund to pay its immediate liabilities.

Currency

The Fund's liabilities are denominated in sterling which means that investing in overseas assets exposes the Fund to a degree of currency risk. The Committee regards the currency exposure associated with investing in overseas equities as part of the return on the overseas equities; the currency exposure on overseas bonds is hedged back to sterling.

Custody

The risk of losing economic rights to the Fund's assets is managed by the use of a global custodian for custody of the assets. Custodian services are provided by State Street. In accordance with normal practice, the Scheme's share certificates are registered in the name of the custodian's own nominee company with designation for the Scheme. Officers receive and review internal control reports produced by the custodian. The custodian regularly reconciles their records with the investment manager records, providing a regular report to officers which they in turn review.

Stock Lending

The Council allows the Custodian to lend stock and share the proceeds with the Council. This is done to generate income for the Fund and to minimise the cost of custody. To minimise risk of loss the counterparty is required to provide suitable collateral to the Custodian. The levels of collateral and the list of eligible counterparties have been agreed by the Fund. The Committee will ensure that robust controls are in place to protect the security of the Fund's assets before entering into any stock lending arrangements.

Pooling

The Oxfordshire Pension Fund is working with nine other administering authorities to pool investment assets through the Brunel Pension Partnership Ltd. (BPP Ltd).
The Oxfordshire Pension Fund, through the Pension Committee, retains the responsibility for setting the detailed Strategic Asset Allocation for the Fund and allocating investment assets to the portfolios provided by BPP Ltd.

The Brunel Pension Partnership Ltd was established in 2017 and became operational in 2018 after receiving authorisation from the Financial Conduct Authority (FCA) to act as the operator of an unregulated Collective Investment Scheme. It is owned jointly by the 10 Administering Authorities. It is responsible for implementing the detailed Strategic Asset Allocations of the participating funds by investing Funds' assets within defined outcome focused investment portfolios. In particular, it will research and select the Fund Managers needed to meet the requirements of the detailed Strategic Asset Allocations. The Oxfordshire Pension Fund is a client of BPP Ltd and as a client will have the right to expect certain standards and quality of service. A detailed service agreement has been agreed which sets out the duties and responsibilities of BPP Ltd, and the rights of the Oxfordshire Pension Fund as a client. It includes a duty of care of BPP to act in its clients' interests.

An Oversight Board has been established, which comprises of representatives from each of the Administering Authorities. It was set up by them according to an agreed constitution and terms of reference. Acting for the Administering Authorities, it has ultimate responsibility for ensuring that BPP Ltd delivers the services required to achieve investment pooling. It will therefore have a monitoring and oversight function. Subject to its terms of reference it will be able to consider relevant matters on behalf of the Administering Authorities, but will not have delegated powers to take decisions requiring shareholder approval. These will be remitted back to each Administering Authority individually.

The Oversight Board is supported by the Client Group, comprised primarily of pension investment officers drawn from each of the Administering Authorities but will also draw on Administering Authorities finance and legal officers from time to time. It will have a primary role in reviewing the implementation of pooling by BPP Ltd, and provide a forum for discussing technical and practical matters, confirming priorities, and resolving differences. It will be responsible for providing practical support to enable the Oversight Board to fulfil its monitoring and oversight function.

The proposed arrangements for asset pooling for the Brunel pool have been formulated to meet the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 and Government guidance.

Oxfordshire County Council approved the full business case for the Brunel Pension Partnership. Currently investment assets are being transitioned across from the Oxfordshire Pension Fund's existing investment managers to the portfolios managed by BPP Ltd with the final transition due by August 2021 in accordance with a timetable agreed by all parties. Until transitions take place, the Oxfordshire Pension Fund will continue to maintain the relationship with its current investment managers and oversee their investment performance, working in partnership with BPP Ltd. where appropriate.

Following the completion of the transition plan outlined above, it is envisaged that all of the Oxfordshire Pension Fund's assets will be invested through BPP Ltd. However, the Fund has certain commitments to long term illiquid investment funds which will take longer to transition across to the new portfolios to be set up by BPP Ltd. These assets will be managed in partnership with BPP Ltd. until such time as they are liquidated, and capital is returned.

ESG Policy

The Committee recognises that environmental, social and corporate governance (ESG) issues, including climate change, can have materially significant investment implications. The Fund therefore seeks to be a responsible investor and to consider ESG risks as part of the investment process across all investments. The objective of responsible investment is to decrease investor risk and improve risk-adjusted returns. Responsible investment principles are at the foundation of the Fund's approach to stewardship and underpin the Fund's fulfilment of its fiduciary duty to scheme beneficiaries.

Given the systemic nature of climate change risk to the Fund's investments the Pension Fund has produced a separate Climate Change Policy covering its approach on this topic.

The Policy was developed following a Climate Change Workshop held by the Fund in November 2019 with participants including a range of stakeholders and expert speakers. Following the Workshop, a smaller working group was formed to develop a draft Climate Change Policy based on the outcomes of the Workshop. This Policy is contained as Annex 1 to the Statement.

The Committee's principal concern is to invest in the best financial interests of the Fund's employing bodies and beneficiaries. Its Investment Managers are given performance objectives accordingly. The Council requires its Investment Managers to monitor and assess the environmental, social and governance considerations, which may impact on financial performance when selecting and retaining investments, and to engage with companies on these issues where appropriate. The Council believes that the operation of such a policy will ensure the sustainability of a company's earnings and hence its merits as an investment.

The Investment Managers report at quarterly intervals on the selection, retention and realisation of investments on the Council's behalf and on any engagement activities undertaken. These Reports/Review Meetings provide an opportunity for the Council to influence the Investment Manager's choice of investments and to review/challenge their stewardship activities but the Council is careful to preserve the Investment Manager's autonomy in pursuit of their given performance.

Just because concerns have been registered about a company's performance on ESG issues, doesn't mean our fund managers will be instructed not to invest in that company. It is then through active ownership we aim to drive change. Where engagement is not seen to be resulting in sufficient progress, and so the risk associated with a holding is increasing or not reducing sufficiently, the Fund will consider divesting.

As a passive investor, the Fund accepts that it will hold companies of varying ESG quality due to the requirement to hold all securities in the target index. The committee believes that passive investing offers a number of benefits that need to be weighed against this and requires passive managers to demonstrate effective engagement, as is the case for active managers. It is important to note that ownership of a security in a company does not signify that the Oxfordshire Pension Fund approves of all of the company's practices or its products.

The Committee is open to investing in Social Investments; investments where social impact is delivered alongside financial return. The Committee further believes that the goal of social impact is inherently compatible with generating sustainable financial returns by meeting societal needs. The Fund has made investments in this area and will continue to review whether further opportunities are available that offer an appropriate risk/return profile. Stakeholders' views are taken into account through the representation of different parties on the Pension Fund Committee, which includes a beneficiaries' representative, and the Local Pension Board, which consists of equal numbers of employer and member representatives.

The Fund will not use pension policies to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries, other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government.

One of the principal benefits, outlined in the Brunel Pension Partnership business case, achieved through the enhanced scale and resources as a result of pooling is the improved implementation of responsible investment and stewardship. Once established and fully operational the Brunel Company will deliver best practice standards in responsible investment and stewardship as outlined in the BPP Investment Principles. Every portfolio under the Brunel Pension Partnership explicitly includes responsible investment and an assessment of how social, environment and corporate governance considerations may present financial risks to the delivery of the portfolio objectives. These considerations will therefore be taken into account in the selection, non-selection, retention and realisation of assets. The approach undertaken will vary in order to be the most effective in mitigating risks and enhancing investor value in relation to each portfolio and its objectives.

In January 2020 Brunel released its Climate Change Policy setting out how it will deal with climate related risks and opportunities in its investment approach.

Policy on Exercise of Rights

As an investor with a very long-term investment horizon and expected life, the success of the Oxfordshire Pension Fund is linked to long term global economic growth and prosperity. Actions and activities that detract from the likelihood and potential of global growth are not in the long-term interests of the Fund. Since the Fund is a long-term investor, short-term gains at the expense of long-term gains are not in the best interest of the Fund. Sustainable returns over long periods are in the economic interest of the Fund.

The Fund recognises that encouraging the highest standards of corporate governance and promoting corporate responsibility by investee companies protects the financial interests of pension fund members over the long term. Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure and corporate governance, including culture and remuneration.

The Fund's commitment to actively exercising the ownership rights attached to its investments reflects the Fund's conviction that responsible asset owners should maintain oversight of the way in which the enterprises they invest in are managed and how their activities impact upon customers, clients, employees, stakeholders, and wider society.

The routes for exercising ownership influence vary across asset types and a range of activities are undertaken on the Fund's behalf by Fund Managers including engagement with senior management of companies, voting of shares, direct representation on company boards, presence on investor & advisory committees and participation in partnerships and collaborations with other investors. Where the Pension Fund invests in pooled vehicles it will seek to gain representation on investor committees if considered appropriate.

Brunel are responsible for the exercise of voting rights in respect of the Council's holdings in the pool portfolios. The Fund expects Brunel to exercise its voting rights in all markets and its investment managers are required to vote at all company meetings where practicable. Market conventions in some countries may mean voting shares is not in the best interests of the Fund, for example where share-blocking is in operation.

The Fund will look to sign up to the new Stewardship Code during the course of 2020/21. Similarly, Brunel has developed a Stewardship Policy consistent with the requirements of the UK Stewardship Code and publishes an annual report covering their voting practices and their engagement work. Brunel has entered partnerships with a number of other like-minded investors to strengthen their voice in all stewardship activities.

GOVERNANCE POLICY STATEMENT

Introduction

1. This is the Governance Policy Statement of the Oxfordshire Local Government Pension Scheme (LGPS) Pension Fund, as required under Section 55 of the Local Government Pension Scheme Regulations 2013.

2. As required by the Regulations, the Statement covers:

Whether the Administering Authority delegates its functions in relation to maintaining a pension fund to a committee, sub-committee or officer of the Authority;
The frequency of any committee/sub-committee meetings;
The terms of reference, structure and operational procedures in relation to the use of the delegated powers; and
Whether the Committee includes representatives of scheme employers, and scheme members, and if so, whether they have voting rights.

Governance of the Oxfordshire Pension Fund

3. Under the Government requirements for a Cabinet structure in local government, the management of the pension fund is seen as a non-executive function i.e. the Cabinet or equivalent body should not carry it out.

4. Oxfordshire County Council, acting as Administering Authority for the Fund, has determined to delegate all functions relating to the maintenance of a pension fund to the Pension Fund Committee.

Oxfordshire Pension Fund Committee – Terms of Reference

5. Under the terms of the County Council's constitution, the terms of reference for the Pension Fund Committee are:

The functions relating to local government pensions etc specified in Paragraph 1 in Schedule H of Schedule 1 to the Functions Regulations, together with functions under Section 21 of the Oxfordshire Act 1985 (division of county superannuation fund).
The functions under the Fireman's Pension Scheme specified in Paragraph 2 in Section H of Schedule 1 to the Functions Regulations.

6. A more detailed interpretation of these terms of reference includes the following:

a) respond as appropriate to the Government on all proposed changes to the Local Government Pension Scheme
b) regularly review and approve the asset allocation for the pension fund's investment
c) approve and maintain the fund's Investment Strategy Statement
d) approve and maintain the fund's Funding Strategy Statement
e) approve and maintain the fund's Governance Policy Statement

f) approve and maintain the fund's Communications Policy Statement
g) review the performance of the fund,
i) appoint an actuary, and independent financial advisor(s), for the fund
j) approve an annual report and statement of accounts for the fund
k) approve an annual budget and business plan for the investment and administration of the fund
l) consider, and if appropriate, approve applications of employers to become admitted bodies to the fund
m) consider all other relevant matters to the investment and administration of the fund.

Membership of the Committee

7. The Committee's members shall be appointed by full Council and shall comprise

9 County Councillors
2 Representatives of the City and District Councils of Oxfordshire.

These 11 members of the Committee shall have full voting rights. The County Councillors will be appointed such that the majority party on the Council has a majority of seats on the Committee before taking into account the political party of the City/District representatives.

8. The beneficiaries of the Fund will also have the right to be represented by an observer to the Committee. As employees of the County Council are prohibited from having voting rights on Council Committees, and as active employees of the County Council are the single largest group of stakeholders within the Fund, providing voting rights to the Observer could prejudice the appointment against the largest stakeholder group. Therefore the Observer will not have any voting rights, but has the right to speak on any issue, subject to the approval of the Chairman of the Committee. The Beneficiaries Observer will be appointed through the appropriate trade union(s).

Operational Procedures

9. The Committee will operate under the terms of conduct set out for all Committees of the County Council. The Committee will meet quarterly, with formal agendas published in advance according to the requirements on all County Council Committees. The Committee will meet in public, unless required to go into exempt session in accordance with Part 1 of Schedule 12A of the Local Government Act 1972.

10. At each meeting, the Committee will receive reports on the investment performance of the Fund. Fund Managers will be invited to attend to present information on the performance of their own portfolio, and to answer all appropriate questions from the Committee. The Committee shall determine the frequency by which each fund manager will be required to attend its meetings.

11. Each meeting of the Committee will be attended by the appointed independent financial advisor(s) who will provide advice on all investment matters. This advice will include drawing to the committee's attention, all appropriate matters associated with the performance of the individual fund managers.

12. Any member of the public has the right to seek to address the Committee by making a formal request in advance of the meeting.

13. The Committee will consult formally with all employers on issues where it has a statutory duty to do so, before it undertakes the responsibilities set out above. This includes the formal consultation with all employers before agreeing the Statement of Investment Principles, and the Funding Strategy Statement, and any significant subsequent changes.

Local Pension Board

14. Under the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015, the Committee have established a Local Pension Board. The role of the Board is to assist the Pension Committee (in its role as Scheme Manager), to secure compliance with the Regulations and all associated legislation, and to ensure the efficient an effective governance and administration of the scheme.

15. The Board has been established with 3 employer representatives, 3 scheme member representatives and a non-voting independent chairman.

16. The Board will meet on a quarterly basis, or more frequently as required. The full constitution of the Board is available on the Pension Fund's website.

Informal Governance Arrangements

17. As well as the formal governance arrangements as set out above, the Pension Fund Committee will hold an Annual Forum to which all scheme employers are invited. This Forum will cover a review of investment performance, as well as any other items relevant at that time.

18. The Committee will also hold ad hoc communication and consultation meetings to which all employers will be invited, and issue ad hoc communication and consultation documents to all employers, where it is deemed appropriate to obtain the views of all employers, before undertaking the responsibilities as set out above.

FUNDING STRATEGY STATEMENT

The Pension Fund's Funding Strategy Statement in effect at 31 March 2021 is available at the following link (draft version approved by the Pension Fund Committee at their meeting on 04 December 2020): PF_DEC0420R14 - Administration Report Annex 4.pdf (oxfordshire.gov.uk).

COMMUNICATIONS POLICY STATEMENT

Introduction

1. This is the Communication Policy Statement of the Oxfordshire Local Government Pension Scheme Pension Fund, established within the 1995 Regulations and now prepared under Regulation 61 of the Local Government Pension Scheme Regulations 2013.

Purpose

2. This policy sets out the Oxfordshire Pension Fund's strategy for its communications with members and employing authorities.

3. The policy applies, in the context of LGPS administration, to members as defined in Schedule 1 of the principal regulations and, in turn, by section 124(1) of the Pensions Act 1995 to include:

Active members
Deferred members, and
Pensioner members
Pensioner credit members

4. Employing authorities, as defined within the regulations, and including Teckal companies : -

Statutory Scheduled Bodies such as the County and District Councils, Colleges of Further Education and Oxford Brookes University; Academies
Designating Bodies being the Town and Parish Councils
Admission Bodies, where the Pension Fund Committee have granted scheme admission within the terms of Part 3 Schedule 2 of the Regulations

5. The Regulations require the policy statement is prepared, written and published, and for these purposes publish means being accessible on the publically available pensions website.

Aim

6. To assist all individual employers to fulfil their statutory role in the Oxfordshire Fund by providing regular current information and access to alternative sources.

7. To ensure that scheme members have access to scheme information, notice about proposed and actual changes and are made aware of the process to lodge questions and appeals.

8. To enable the Scheme Manager / Administering Authority to discharge their respective responsibilities in accordance with the Local Government Pension Scheme Regulations 2013 (as amended); The Occupational and Personal Pension Schemes (Disclosure of Information Regulations 2013 (as amended) and The Pension Regulator Guidance.

Communication Policy

9. The development and introduction of the 2013 scheme was supported nationally by websites and guidance for both employers and scheme members. Our Fund communications will continue to reference these central resources as well as reference material provided by the Fund's advisors.

10. Local communication will focus on specific administration for employers and members of the Fund. The key local communications, intended audience, publication media and frequency are detailed in the annex to this policy.

11. This emphasis does not materially alter this policy but will affect the content of local communications. The continuing encouragement to use the national websites will avoid duplication of development. Oxfordshire Pension Fund supports those national developments financially and by active engagement with the working group, which concentrates on member communications. This fund will continue to support collaboration and development of communication media with other administering authorities.

12. The Fund maintains a website which provides access to member guides, forms and information. The fund requests that employers provide a copy of the member Brief Guide or the link to the website to all new employees on commencing employment, helping to ensure that scheme information is available within disclosure timetable to members and prospective members.

13. The Fund maintains a dedicated area of the website to provide resources and information for employers.

14. The Fund has not created a profile on any social media such as Twitter or Facebook; no requests for such access have been received and there is currently no perceived benefit for these to be created.

15. This policy reflects the introduction of Member Self Service (My Oxfordshire Pension) using a secure online web portal hosted by Aquila Heywood. (This will allow all members a) to look at generic scheme information and b) to view

and make some changes to their personal pension accounts. Access was made available to Pensioner Members from April 2017 with Deferred and Active Members to follow at a later date. This allows registered members a) to look at generic scheme information and b) to view and make some changes to their personal pension accounts. Access was made available to

- Pensioner Members from April 2017
- Deferred Members from April 2018
- Active Members from May / June 2018
- All new starters joining the scheme from 1 April 2018

16. Once My Oxfordshire Pension (MOP) is in place across the entire scheme membership, we will conduct a further review of the Communications Policy to reflect format and delivery of communications material Once My Oxfordshire Pension is established across the entire scheme membership, we will introduce greater functionality, such as benefit projection facilities. We will continue to encourage registration whenever member status changes.

Review of This Policy

17. This policy was reviewed in January 2017 following feedback from members and employers, a Fund-wide consultation and with reference to the disclosure regulations. We will undertake annual reviews of the Communications Policy seeking feedback from members and employers to reflect format and delivery of material in this changing environment, once the concentration on the on line portal is fully established.

COMMUNICATION

The Pension Fund Committee approved a Communication Strategy, which sets out the fund's communication policy with all employing bodies, contributors and pensioners. The following initiatives are currently in place: -

- **Annual Report and Accounts** – The investment team circulate this document to all Oxfordshire County Council Directors and all employing bodies. It is also available on line from the website page. Copies are available for public inspection in the main Oxfordshire public libraries.
- **Summary of Report and Accounts Leaflet** – The Pension Fund Investment Manager selects sections from the main document to incorporate into an issue of Reporting Pensions for all current members. Pensioners receive the fund information with their annual newsletter.
- **Annual Pension Fund Forum** – An annual event for all employers in the fund, with an open invitation to submit topics for discussion and to send representatives. The forum is to keep employing bodies informed of topical issues and events that have occurred in the last year and also to give them the opportunity to raise any questions in relation to the Pension Fund.
- **Pensions Employer/User Group** – This is a meeting held quarterly for all employing bodies within the Oxfordshire Fund. The purpose of the group is to inform, consult and discuss LGPS matters such as changes in legislation, the results of the actuarial valuation and other policy changes. We will continue with the recently revised format of presenting on specific subjects at these meetings.
- **Employee Guide to LGPS** – presents aspects of the scheme to all members as a series of short subject leaflets. Taken together they provide a full guide for members, but individually offer broad information on specific subjects. The leaflets are available from the Oxfordshire County Council Pension Fund website or on request from Pension Services.
- **Brief Guide to the LGPS** - a reduced version of the scheme guide, with main points available for all from the website. We encourage all employers to link their starting information for new employees to this guide.
- **Reports by Beneficiaries Representative** – The beneficiaries' representative attends all Pension Fund Committee meetings as an observer. He has no voting rights but is allowed to speak with the permission of the Chairman. The Representative's report after each meeting is circulated to all employers for their staff, and is also on the pensions website pages.
- **Reporting Pensions** – a quarterly newsletter distributed, with the assistance of fund employers to scheme members and those eligible to join the fund. These pick up major changes to the LGPS and ensure that Oxfordshire County Council Pension Fund complies with the Disclosure of Information Regulations.
- **Website** – Pages for the Oxfordshire County Council Pension Fund are located on the County's public website. They offer access to administration and investment information, including Pension Fund Committee reports and minutes. Fund Employers can find detailed Administration information as an online toolkit to support their role in the fund. All members; current, pensioners, and deferred, have dedicated sections, with links to newsletters, guides, and national websites.

- **Intranet** - is not maintained by Pension Services as it reflects the decisions and policies of the County Council as a fund employer. Their pages also provide links and access to the Pension Fund website. Other fund employers also provide information on their intra-net sites for employees.
- **Talking Pensions –** This is an informal monthly newssheet for all employers in the Oxfordshire Fund distributed to all Human Resources and Payroll contacts.
- **Annual Benefit Statements -** Pension Services issue statements to current members and to members who have left the scheme with an entitlement to pension but not to an immediate payment. Additional information to the Statement is available from the website.
- **Administration principles -** we encourage all new employers to attend a meeting to help acquaint themselves to our requirements and importantly, their responsibilities within the scheme.

USEFUL CONTACTS AND ADDRESSES

BENEFIT ADMINISTRATION

Pension Services
Oxfordshire County Council
4640 Kingsgate
Oxford Business Park South
Oxford, OX4 2SU

Telephone:
0330 024 1359
email:
pension.services@oxfordshire.gov.uk

ACCOUNTS AND INVESTMENTS

Financial Manager – Pension Fund Investments
Corporate Services
Oxfordshire County Council
County Hall
Oxford, OX1 1ND

email:
pension.investments@oxfordshire.gov.uk

BENEFICIARIES REPRESENTATIVE

c/o Pension Services
Oxfordshire County Council
4640 Kingsgate
Oxford Business Park South
Oxford
OX4 2SU

SPECIFIED PERSON FOR ADJUDICATION OF DISPUTES PROCEDURE
Disputes to be sent to:-

Pensions Services Manager
Oxfordshire County Council
4640 Kingsgate
Oxford Business Park South
Oxford, OX4 2SU

Telephone: 01865 323854
Email: sally.fox@oxfordshire.gov.uk

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW 0345 600 1011
www.thepensionsregulator.gov.uk

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU 0800 731 0193
www.gov.uk/find-pension-contact-details

The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB 0800 011 3797
www.pensionsadvisoryservice.org.uk

Pensions Ombudsman
10 South Colonnade
Canary Wharf, London
E14 4PU 0207 630 2200
www.pensions-ombudsman.org.uk