

PENSION FUND COMMITTEE

12 December 2025

REVIEW OF THE ANNUAL BUSINESS PLAN 2025/26

Report by the Executive Director of Resources & Section 151 Officer

RECOMMENDATION

1. The Committee is RECOMMENDED to:

- i) Review the progress against each of the key service priorities as set out in the report; and**
- ii) Agree any further actions to be taken to address those areas not currently on target to deliver the required objectives.**

Introduction

2. The report reviews the progress against the key service priorities set in the business plan for the Pension Fund for 2025/26 as agreed by this Committee in March 2025.
3. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2025/26 remain consistent with those agreed for previous years, with one slight update to reflect the Fund's improved funding position.
4. The overall objectives are summarised as:
 - To fulfil our fiduciary duty to all key stakeholders
 - To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
 - To maintain a funding level above 100%
 - To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
 - To maintain as near stable and affordable employer contribution rates as possible
5. The service priorities for the year do not typically include the business as usual activity which will continue alongside the activities included in the service priorities. Business as usual activities are monitored as part of the Administration Report, the Governance and Communications Report and the report on Investment Performance.

Key Service Priorities – Review of 2025/26

6. There were 4 key service priorities included in the 2025/26 plan each with a number of key measures of success. The 4 key service priorities were:
 - Deliver further improvements to the governance arrangements of the Fund

- Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes.
- Develop further the Fund's Investment and Funding service.
- Deliver service enhancements and cost reductions through increased use of technology.

7. The latest position on each is set out in the paragraphs below. The assessment criteria for each measure of success is as follows:

- Green – measures of success met, or on target to be met
- Amber – progress made, but further actions required to ensure measures of success delivered
- Red – insufficient progress or insufficient actions identified to deliver measures of success

6. Deliver further improvements to the governance arrangements of the Fund. The position against the 5 agreed actions are set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Continue to develop and implement the Workforce Strategy AMBER	Complete the review of staffing needs	Workforce Strategy in place	Work with OCC on job architecture to align with Council roles, postponed due to start January 2026
	Complete the identification of gaps in resource and skills	Preparation of JD's on new roles underway	Develop revised role profiles in line with OCC
	Career pathways defined to support retention (to be completed in line with other OCC service areas during 2025)	Temporary staff sourced to support the vacant roles, aim is to enable development into more senior and permanent roles	Advertise for new roles
	LGPS Academy rolled out across the team	Aon has commenced phase one - review of benchmarking compared to other pension schemes	LGPS Academy rolled out across the team
		Hymans Robertson salary survey completed, and results received	Aon supporting phase two - Fund structure review
			Workforce recommendations from phase 1 to be presented to Committee in March 2026, along with results

			from Hymans Robertson salary survey
Continue to work on General Code compliance and provide external scrutiny/review. GREEN	Review of GCOP compliance completed by officers end of March 2025 Independent review completed by end of summer 2025 Reviews demonstrate Fund is meeting Regulatory Requirements and TPR expectations	Independent review by Hymans Robertson has been completed on first phase of modules confirming compliance, review on remaining modules underway by officers	Complete review of final modules Next steps then to complete phase two of independent review
Monitor, review and implement Good Governance Review outcomes once known GREEN	Governance review complete and plan in place to implement recommended changes (dates to be confirmed once Government confirms outcomes)	Response from Government on the fit for the future consultation received At date of writing this report we have just received the technical consultation and draft regulations	Consultation on regulations until 2 January 2026 and associated guidance for implementation due for release shortly
National Knowledge Assessment (NKA) and Knowledge and Understanding GREEN	All Committee and Board members complete TPR Toolkit Maintain NKA score from previous year All Committee and Board members enrolled on LOLA and complete 50% of modules	New Committee Members have attended induction training or are in the process of attending/watching training and will start working towards completing the required modules Joint training day with Gloucestershire provided in October 2025	Completion of TPR toolkit Enrol and commence working through LOLA
Local Government Reform - tracking and responding to potential risks and	Respond effectively to Government consultations Keep Committee and Board regularly consulted and updated	Ongoing monitoring as reforms develop Currently in the process of mapping out Fund options	Confirm high level options for the Fund once analysis is complete

resource implications GREEN	Identify stakeholders impacted and track any associated risks through risk register	depending on which of the three options are selected by Government for Oxfordshire	
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7. The 4 actions under this objective have all been rated green, largely due to waiting on external factors such as Government responses. At the date of writing this report we have seen increased activity from the Ministry of Housing, Communities and Local Government (MHCLG), draft regulations were published on 20 November 2025 for technical consultation for a period of 6 weeks, closing on 2 January 2026.

Fit for the Future - Technical Consultation (Governance)

8. On 20 November 2025, the Ministry of Housing, Communities and Local Government (MHCLG) launched the latest consultation on fit for the future, this is a technical consultation with a closing date on 2 January 2026. The intention is to strengthen governance arrangements at Administering Authorities. The changes rely on existing powers in the Public Service Pensions Act 2013 and new powers in the Pension Schemes Bill. They include requirements for LGPS administering authorities to:
- Prepare a governance strategy, a training strategy and a conflicts of interest policy
 - Prepare an administration strategy which must be reviewed at least once in each valuation period
 - Require members of a committee, sub-committee and officers to have a degree of knowledge and understanding to properly exercise their functions (this requirement currently falls on the pension board members)
 - Arrange regular independent governance reviews aligned with valuation cycles or on an ad hoc basis where directed by the Secretary of State
 - Appoint a senior LGPS officer
 - Appoint an independent person to the committee
9. The draft regulations will be supported by statutory guidance which is currently being developed. Fund officer/s are taking part in roundtable/s to support this development.
10. The draft regulations outline that a Senior LGPS Officer will need to be appointed, and they will have a senior responsibility across all pension functions of the Administering Authority. The draft regulations also state that this person cannot also be the Section 151 officer, Chief Executive (Head of Paid Service) or Monitoring Officer and any delegation of functions to an officer must be to the Senior LGPS officer. It is confirmed that this does not impact the current role requirements of the Section 151 officer. More guidance is to follow on this. This Statutory role is already in place in Oxfordshire with the dedicated Head of Pension Fund, this role was developed due to the Good Governance Review to ensure that this role did not undertake other activities not linked to the Pension Fund.

11. There will also be a requirement to appoint an independent person, similar to a professional trustee to be a non-voting member of Pension Committee, this will be a change for the Fund and officers will update Committee in the coming month/s.
12. Both Senior LGPS Officer and independent non-voting Committee Member will need to be appointed before 1 October 2026. The first independent governance review must be carried out by 31 March 2028. The legislation will be effective from 1 April 2026 (subject to Parliamentary timetabling).
13. Fund officers are currently reviewing the consultation and draft regulations, from a Governance viewpoint, much of which falls out of the Good Governance Review back in 2021 and has already been incorporated into the Funds business as usual activity. For example, we have for a number of years published a Pension Administration Strategy, we have a role equivalent to the Senior LGPS Officer and are in the process of having an independent governance review. However, once we have the guidance we expect to formalise a number of matters in March 2026 Committee.

Workforce Strategy

14. The Workforce Strategy action has been assessed as amber, indicating that while progress is evident, significant challenges persist. In particular, the attraction and retention of staff at Oxfordshire and within the LGPS sector more widely remains an issue. We have had success in recruitment, however a further two resignations have been received in the last quarter. Recent loss of the Fund's training officer has further compounded our resource issues. Following the request from Committee at the June 2025 meeting, we are undertaking a review with the support of Aon:
 - a. **Phase one** – Independent pay benchmarking review to ensure that pay is competitive to attract and retain talent with appropriate skills to deliver our statutory function.
 - b. **Phase two** – Fund structure review to ensure we have the appropriate level of resources to carry out and deliver our statutory objectives now and into the future.
15. Upon completion of phase one of the review, Fund officers will provide a workforce paper with recommendations to March 2026 Committee.
16. Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes. There were also 6 specific actions set out in the 2025/26 Business Plan in respect of this priority. The progress against these is set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Implement McCloud (data and IT requirements)	Process in place to confirm calculations carried out correctly	Significant progress made in the last 6 months, more information is	Work continues on status 1&4 members and pensioners to be

AMBER	and within SLA timeframes Issue all Annual Benefit Statements containing McCloud information with Plain English explanation by 31 August 2025	included in the Administration Report later in the agenda for this meeting Extension to 2026 required for a small number of complex cases and this has been reported to the Pensions Regulator	completed by the end of March 2026
Monitor and improve Common Data scores GREEN	Maintain data score at 95% Aim to exceed 95% and increase to 98%	Continued focus on data quality with employers and internal Fund processes	N/A
Employer Engagement/Client Relationship (including escalation process/fines) AMBER	Contributions reconciled monthly Member data reconciled monthly Late data and/or contributions pursued within 1 week - large employers, smaller employers within 2 weeks Employer survey introduced Develop Employer Services team Improve employer knowledge and understanding of responsibilities through provision of a user guide Review and update of all Fund provided employer	Focus moving to employer engagement and relationship management to maintain progress Employer Services Manager role approved to drive service forward Review of employer policies has commenced Employer surveys are being issued Admission Agreement system being reviewed to improve efficiency within the team	Advertise Employer Services Manager role Draft user guide to improve employer knowledge and understanding of responsibilities

	policies/processes and procedures completed		
Customer Satisfaction - (Compliments/complaints/feedback) [Employer and Member] GREEN	Improve scores from member surveys Reduce number of upheld complaints from members Improve scores from employer surveys	Monitoring of scores on member survey and collation of data underway Employer and member surveys are being issued	Discussions on frequency and how best to incorporate into regular reporting is being discussed internally, building into end of year report/statistics
Day to Day delivery of BAU activities GREEN	Administration SLAs – - Call to helpdesk answered within 40 seconds - Deaths processed in 10 days Reported KPI's all above 80%	Pension Administration Strategy currently out for consultation Progress is being made, see Administration Report later in this meeting	N/A
Implement Government tax changes. GREEN	Full process map developed, reviewed and implemented	On track as far as possible, awaiting Government implementation, legislation and guidance	N/A

17. Out of 6 key actions, 4 are rated as green, this is largely due to awaiting guidance from government and progress being made against each objective where possible.

18. We have continued to rate the McCloud action as amber; this is due to the challenging timescales, resource constraints and complexity of remaining McCloud cases. Remaining cases are due to be completed by the end of March 2026.

19. The development of the Employer engagement/client relationship services is rated as amber due to efficiency and resource constraints within the team. However, progress has been made in sourcing a system to draft Admission Agreements which will improve the efficiency of the team and free up capacity.

20. Develop further the Fund's Investment and Funding service: There were 6 actions set for this service priority within the Business Plan, and progress against these measures is set out below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Deliver the 2025 Valuation GREEN	Data provided to Actuary by requested date Less than 5% data quality queried by Actuary (actual % will be reported to Committee/Board) Maintain stability of costs i.e. employer contributions Achieve consensus around valuation assumptions with Committee by end of June 2025	Draft Funding Strategy Statement (and associated policies) reviewed and consultation launched with employers, consultation closes 19 December 2025 Engagement with smaller employers has commenced Training on climate scenario modelling provided to during recent training day Individual employer results issued	Engagement with smaller employers Review of feedback from employer consultation on Funding Strategy Statement (and associated policies) Finalise Funding Strategy Statement (and associated policies) for approval at March 2026 Committee Data quality report and climate analysis from Actuary to be provided to Committee
Cashflow modelling - Committee to see more information on how the Fund handle cashflow GREEN	Cashflow modelling policy introduced in 25/26 - with regular reporting, built into existing report	Ongoing monitoring of the cashflow position is in place	Cashflow model to be reviewed in light of decisions made throughout 2025 Valuation process Cashflow monitoring policy to be developed Updated cashflow position to be confirmed by Actuary

Strategic Asset Allocation SAA (subject to consultation) GREEN	Asset Allocation decided with scope for swift response to developing risk and opportunity, March 2026 Consultation with key stakeholders	Apex has commenced the analysis work for the SAA review	Fund officers to review analysis with Independent Investment Adviser (IIA) to develop proposed SAA for discussion and feedback via workshop with Committee/Board Investment Strategy Statement (ISS) Review as part of SAA review Finalise SAA for sign off in March 2026 Committee
Implement Government Policy AMBER	Response issued to relevant consultations Take leading role through SPOG/PLSA and other cross industry groups in responding to consultations New Regulations complied with ahead of deadline (where practically possible)	Submitted in-principle decision to Government on preferred pooling partner ahead of 30 September 2025 deadline Pension bill has passed the Committee stage and is now at Report stage, before a possible 3rd reading and then will go through the House of Lords Progress has been made on LGPS Pooling Reform and this is reported later in the agenda	Work closely with stakeholders on new pooling arrangements, to meet Government deadline of 31 March 2026 Respond to the new technical consultation <i>“Local Government Pension Scheme in England and Wales: Fit for the Future – technical consultation”</i> by 2 January 2026 Respond to the new technical consultation <i>“Local Government Pension Scheme in England and</i>

			<i>Wales: Scheme Improvements (access and protections)” by 22 December 2025</i>
Responsible Investment Policy development GREEN	Leading/recognised accreditation scores within Stewardship Code	An update will be provided under the Corporate Governance and Socially Responsible Investment item on the agenda	N/A
Value for Money analysis GREEN	Ensure analysis is completed (active vs. passive) and next steps agreed Cost transparency reviewed	This will be included as part of SAA work	To in included in SAA review early 2026

21. Out of 5 actions 4 are rated green, largely due to work progressing well in all areas. While there is still work to be completed, the 2025 valuation nears its completion and to date all required timescales have been met. More information can be found in the 2025 valuation update report later in the agenda.

22. Implement Government policy is rated as amber, this is because timescales remain challenging, we met the deadline for an in-principle decision ahead of the 30 September 2025 deadline. The March 2026 deadline for management of all assets to be pooled is far more challenging, with a number of complex interdependences to be worked through over the coming 4 months. More information can be found in the later agenda item covering the pooling update.

23. A consultation was published on 15 October 2025, Local Government Pension Scheme in England and Wales: Scheme improvements (access and protections). The consultation, the link is included below:

[Local Government Pension Scheme in England and Wales: Scheme improvements \(access and protections\) - GOV.UK](#)

24. The consultation covers 4 proposals relating to the LGPS. The proposals relate to access to the scheme and its benefits, and cover:

- Normal Minimum Pension Age
- pension access for mayors and councillors
- academies in the LGPS
- new Fair Deal

25. A response will be drafted and circulated for information to Committee and Board. The deadline for submission of a consultation response is 22 December 2025.

26. A consultation was published on 20 November 2025, Local Government Pension Scheme in England and Wales: Fit for the Future – technical consultation. The consultation, the link is included below:

[Local Government Pension Scheme in England and Wales: Fit for the Future - technical consultation - GOV.UK](#)

27. In addition to the Governance matters already covered in this report under points 8 to 13. The consultation also covers:

- a. Administering Authorities (AA) delegation of the implementation of their investment strategy to their asset pool
- b. AAs required to take principal investment advice from their pool
- c. The requirement for all assets to be controlled and managed by the relevant asset pool
- d. Provision of backstop powers for the Secretary of State to direct AAs to participate in specific pools, and for specific pools to facilitate participation
- e. Establish minimum standards for pools, including FCA authorisation and capacity to manage local investments
- f. The required compliance from 1 April 2026, subject to passage of the Pension Schemes Bill through Parliament and with limited flexibility in specific cases

28. A response will be drafted and circulated for comment to Committee and Board. The deadline for submission of a consultation response is 2 January 2026.

29. Deliver service enhancements and cost reductions through increased use of technology. There were 5 actions set for this service priority within the Business Plan, and progress against these measures is set out below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions
Website development and launch AMBER	Website domain and host agreed by mid-2025 New website launched by end of the scheme year (March 2026) Overwhelmingly positive feedback from users Accessible requirements completed - WCAG 2.2 requirements, useable on all devices (mobile, computer etc)	Some progress made, IT resource has been provided and initial mapping of website structure has started Timescales remain challenging for launch by March 2026, however progress is being made and we remain committed to launching the new website where possible by March 2026	Internal testing, user acceptance testing and communications to launch new website

Implement Pensions Dashboard GREEN	ISP contract in place – by March 2025 Connected to ecosystem by mid-October 2025 for both pension benefits and Additional Voluntary Contributions (AVCs) Report updates to Committee/Board and provide information on how successful connection has been	Successfully connected to the dashboard Meetings on matching criteria and AVC data connection held in September 2025 Further update provided in the administration report later in the agenda	Testing and launch of dashboard Dashboard policy and matching policy to be developed Government required to confirm go-live date to industry
Development of iConnect - continue to utilise further improvements to the service GREEN	Patches implemented on release day Regular engagement with Heywoods maintained to understand upcoming improvements and how to utilise them Training delivered to relevant officers	Steady progress on a number of system updates and service enhancements Additional employer functionality developed on pension strain costs	Work with Heywoods to support integration of AI into Fund processes Employer ability to run strain cost calculations ready and requires testing
Ensure all technology used is compatible with Windows 11 GREEN	Engage support of host authority IT Team Complete review of all devices and software Replace those not compatible with Windows 11 by 30 September 2025	Completed	N/A
Other developments – MSS, address checker, electronic pension payslips, EA2P, bank account verification GREEN	MSS development implemented Increased members uptake and online activity Positive user feedback in surveys received	Steady progress on a number of system updates and service enhancements	Work with Heywoods to support integration of AI into Fund processes Increased members uptake and online activity

30. Out of 5 actions 4 are rated green, largely due to work progressing in these areas.

31.1 action, website development has moved from red to amber due to the initial limited progress made to, however since the previous Committee in September 2025, progress has been made. Launching the website in March 2026, whilst still challenging looks more achievable with recent progress made. In addition to the website the Fund has launched its dedicated LinkedIn page. We would encourage Committee and Board members along with other stakeholders to follow us.

Budget 2025/26

32. The budget for 2025/26 was agreed at £26,742,000 as part of the Business Plan at Committee on 7 March 2025.

2025/26 Pension Fund Budget - Q2 Update

	Budget	YTD	%	Forecast Outturn	Variance
	2025/26	2025/26		2025/26	2025/26
	£'000	£'000		£'000	£'000
Administrative Expenses					
Administrative Employee Costs	2,067	842	41%	1,870	-197
Support Services Including ICT	1,193	599	50%	1,193	0
Printing & Stationary	78	65	84%	78	0
Advisory & Consultancy Fees	5	0	1%	5	0
Other	60	-2	-3%	60	0
Total Administrative Expenses	3,403	1,505	44%	3,206	-197
Investment Management Expenses					
Management Fees	20,500	10,500	51%	21,000	500
Custody Fees	30	8	27%	30	0
Brunel Contract Costs	1,630	1,247	77%	1,630	0
Total Investment Management Expenses	22,160	11,755	53%	22,660	500
Oversight & Governance					
Investment & Governance Employee Costs	470	213	45%	410	-60
Support Services Including ICT	13	0	0%	13	0
Actuarial Fees	350	289	82%	350	0

External Audit Fees	100	118	118%	150	50
Internal Audit Fees	19	0	0%	19	0
Advisory & Consultancy Fees	110	25	23%	140	30
Committee and Board Costs	25	1	4%	24	-1
Subscriptions and Memberships	92	23	25%	80	-12
Total Oversight & Governance Expenses	1,179	668	57%	1,186	7
Total Pension Fund Budget	26,742	13,928	52%	27,052	310

33. There is a forecast underspend on Administration staff costs resulting from the team carrying several vacancies over the first half of the year.

34. Management fees are forecast to exceed the budget by £0.5m, this is primarily due to investment performance for equities exceeding the return used to determine the budget figure.

35. An amount of £1.8m has been included in the forecast for Brunel costs to reflect additional costs expected to be invoiced by Brunel in Q1 2026 as a consequence of not preparing their accounts on a going concern basis. This is a result of the expectation the business will be wound up during 2026/27. £1.8m represents the expected share for Oxfordshire of the total amount to be requested from all Brunel client funds. Any unused element of the additional monies paid to Brunel would be distributed back to clients once a liquidator has finalised the position from winding up the business.

36. There is an underspend forecast on investment/governance staff costs. This is partly due to a resignation in the investments team that will not be filled immediately.

37. External audit fees are forecast to exceed the budgeted figure as additional costs for the 2022/23 and 2023/24 audits have come through in the current year.

38. A small overspend is forecast on investment advisory and consultancy fees, this is in part a result of the decision to invest into two affordable housing funds rather than one requiring two sets of operational and legal due diligence to be undertaken.

Training Plan

39. Part D of the Business Plan set out the broad Training Plan for Committee and Board Members. This reflects the Knowledge Assessment and feedback from Committee and Board members in 2024. We had pre-Committee training at the June 2025 meeting from Brunel, also a training session with the Scheme Actuary during August 2025. A joint in-person training day was run with Gloucestershire in October 2025. This covered a range of topics including:

- a. Climate Change Modelling/Scenarios
- b. Being an effective Pension Committee or Board member

- c. An introduction to LGPS Central
- d. Natural Capital

40. The Plan also includes reference to the on-line training offered by Hymans Robertson which all Members are encouraged to complete, a list of recommended external courses and conferences which Members are invited to consider as well as the offer of individual sessions with officers and the development of a specific training plan to meet individual needs.

41. Should you need any further information and for any questions, please contact Anna Lloyd our Governance and Communications Officer.

Corporate Policies and Priorities

42. The overall priorities of the Pension Fund are summarised as:

- To fulfil our fiduciary duty to all key stakeholders
- To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
- To maintain a funding level above 100%
- To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
- To maintain as near stable and affordable employer contribution rates as possible

Staff Implications

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

Equality & Inclusion Implications

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

Sustainability Implications

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

Risk Management

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

Consultations

47. Officers of the Fund.

Lorna Baxter

Deputy Chief Executive and Executive Director of Resources (Section 151 Officer)

Annex: Nil

Background papers: Nil

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November 2025