

## **Pension Fund Scheme of Delegation**

### **Introduction**

1. The Council's Constitution sets out the general Scheme of Delegation to the Strategic Directors and a small number of other Officers. These named posts are therefore authorised by the council to exercise the specific powers and functions of the council.
2. It is not possible for such a small number of people to take all the necessary decisions and authorise expenditure, and therefore further delegation of these powers is allowed. The Scheme of Delegation is the formal record of that authorisation.
3. The Scheme of Financial Delegation is made by Joanna Simons, Chief Executive, in accordance with the Contract Procedure Rules (part 8.3) of the Council's Constitution, to enable delegation of her authority to sign contracts and other financial authorisations. The levels of delegation applicable to pension fund authorisations and financial transactions are shown within the Chief Executive's Office Scheme of Delegation and the Oxfordshire Customer Services Scheme of Delegation. Appendix (a) shows the main extracts of the schemes of delegation which were relevant to usual pension fund administration and investment activities, at the date of the report.
4. Schemes of Financial Delegation are reviewed and amended throughout the year. Amendments are signed off by relevant service directors, the section 151 officer and the county solicitor.
5. In addition to the responsibilities listed in the Council's schemes of delegation, some additional responsibilities for functions specifically related to pension fund activities have been delegated to officers by the Pension Fund Committee.

### **Internal Disputes Resolutions Procedure (IDRP)**

6. Under the Local Government Pension Scheme (Administration) Regulations 2008, a Member of the Pension Scheme has a right to raise a complaint in respect of their pension entitlement with their employer (or previous employer where they have left the employment to which the dispute relates).
7. The complaints procedure has 3 stages. Stage 1 will be determined by the relevant scheme employer or the Administering Authority depending on the nature of the complaint. Stage 2 is an independent review of the complaint by

a person with delegated authority from the Administering Authority. Stage 3 is determined by the Pensions Ombudsman.

8. At their meeting in December 2012, the Pension Fund Committee delegated authority to the Pensions Services Manager to determine cases on behalf of the Administering Authority at Stage 1, and the Service Manager (Pensions, Insurance & Money Management) to determine all cases at stage 2. In both cases, the Committee determined that the relevant offer can agree an award of compensation up to £5,000 subject to a report back to the next meeting of the Pension Fund Committee. Any award of compensation above £5,000 must be determined by the full Pension Fund Committee.

### **Death Benefits**

9. The Local Government Pension Scheme Regulations (2007) state that if a scheme member dies before his 75<sup>th</sup> birthday, the administering authority at their absolute discretion may make payment, in respect of the death grant to or for the benefit of the member's nominee or personal representatives or any person appearing to the authority to have been his relative or dependant at any time.
10. In accordance with the Council's Constitution and Scheme of Delegated Powers, death grant decisions can be made by the Chief Executive in consultation with the Chairman of the Pension Fund Committee.
11. At their meeting in June 2012, the Pension Fund Committee delegated authority to the Team Leaders in the Pension Services Team to determine all non-contentious cases. (N.B. Delegation was made to this level to avoid potential conflict in the case of complaint which would be heard by the Pension Services Manager at Stage 1 – see complaints delegation above).

### **Power of Attorney – Custody Accounts**

12. The Pension Fund's Global Custodian makes arrangements for the custody of assets in relevant countries. Where they do not have a presence in a particular country, a sub-custodian may be appointed. In some countries regulators require the Pension Fund to grant a Power of Attorney to allow the sub-custodian open an account on behalf of the Fund.
13. In March 2011, the Pension Fund committee delegated decision-making related to the custody of assets to the Chief Finance Officer and Monitoring Officer, after consultation with the Chairman of the Committee.

### **Pension Fund Cash Management Strategy**

14. The Oxfordshire Pension Fund maintains a balance of cash arising from the receipt of employer and employee contributions exceeding the amount of payments made on behalf of the Fund. The cash balances held by the administering authority are managed by the Council's Treasury Management

and Pension Fund Investment team. The Pension Fund Committee have delegated authority to the Assistant Chief Executive and Chief Finance Officer to make changes necessary to the Pension Fund Cash Management Strategy.

15. To avoid cashflow deficits or the excessive build up of cash over the strategic asset allocation, the level of cash balances is reviewed as part of a quarterly asset allocation by the Independent Financial Adviser and the Pension Fund Investments officers.

### **Strategic Asset Allocation**

16. The Pension Fund strategic asset allocation is approved by the Pension Fund Committee and is periodically reviewed by the Independent Financial Adviser. Due to market volatility and the varying performance levels of fund managers, the actual asset allocation fluctuates on a daily basis.
17. The Independent Financial Adviser and officers review the actual asset allocation on a quarterly basis and make arrangements to transfer assets or cash to fund managers, to rebalance the fund.
18. Decisions to rebalance the fund within approved strategic asset allocation ranges are delegated to officers. Arrangements to rebalance the fund outside the strategic asset allocation ranges, are taken after consultation with the Chairman of the Pension Fund committee, and reported to the next Committee.

### **Voting rights**

19. Investment Managers are delegated authority to exercise voting rights in respect of the Pension Fund's holdings. At their meeting in March 2013, the Committee removed the requirement to refer all voting decisions where the decision was to vote against RREV recommendations to the Service Manager (Pensions, Insurance & Money Management) to determine under delegated powers.

### **Private Equity**

20. In February 2011, the Pension Fund Committee resolved to transfer the responsibility for private equity fund management decisions to the lead officer for Pensions Investment. The Fund's Independent Financial Adviser is responsible for advising officers on the management of the private equity portfolio. Officers consider the advice and decide whether or not to act on the recommendations. In practice, private equity decisions are delegated to the Service Manager, Pensions Insurance and Money Management, or in his absence the Principal Financial Manager, Treasury Management and Pension Fund Investments.

### **Early Release of Benefits**

21. At its meeting in December 2012, the Pension Fund Committee delegated to a panel of officers, following consultation with the Chairman, authority to determine cases under the Early Release of Benefits Policy where the scheme member's previous employer no longer existed.

### **Admission of new Admitted Bodies**

22. At its meeting in September 2011, the Pension Fund Committee delegated the authority to agree the admission of new Admitted Bodies to the Oxfordshire LGPS Fund to the Chairman, Deputy Chairman and Opposition Group Spokesperson.

### **Payment of Benefits to an Authorised Person**

23. At its meeting in September 2012, the Pension Fund Committee delegated to the Assistant Chief Executive and Chief Financial Officer, following consultation with the Chairman, Deputy Chairman and Opposition Group Spokesperson, the authority to determine payments to an authorised person in instances where the scheme member is incapable of managing their own affairs.

**Scheme of Financial Delegation - Extracts**

**Appendix (a)**

**Authority to Sign Purchase Orders, Invoices and Contracts for the Oxfordshire County Council Pension Fund**

**Sole signatories for Pension Fund Goods and Services**

Up to £500,000 for Goods and Services,

Chief Executive

Assistant Chief Executive and Chief Finance Officer

Director for Environment & Economy

Up to £200,000 for Goods and Services

Deputy Chief Finance Officer

Service Manager – Pensions, Insurance and Money Management

Principal Financial Manager – Treasury Management & Pension Fund Investments

Pension Services Manager

Up to £25,000

Team Leader – Pensions Administration

Team Leader – Pensions Administration

**Joint signatories for Pension Fund Goods and Services**

Up to £500,000,

Deputy Chief Finance Officer

Service Manager – Pensions, Insurance and Money Management

with the Chief Executive for Goods and Services over £500,000.

Assistant Chief Executive and Chief Finance Officer

Deputy Chief Finance Officer

With the s151 officer for Goods and Services over £500,000

Director for Environment and Economy

### **Income (Debt) Write Offs**

Write off of outstanding debts to the Local Government Pension Scheme above £10,000 need the approval of the Pension Fund Committee. The authorisation of debt write offs up to and including £10,000 is delegated to the Service Manager – Pensions, Insurance and Money Management in conjunction with:

Assistant Chief Executive and Chief Finance Officer for amounts between £7,500 and £10,000 and with the Deputy Chief Finance Officer for amounts below £7,500.

### **Cash Management**

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, state that the Administering Authority must hold in a separate bank account all monies held on behalf of the Pension Fund and formulate an investment policy to govern how the authority invests any Pension Fund cash.

Management of the Oxfordshire Pension Fund cash balances is delegated to the Treasury Management team. The Treasury Management team responsible officers list is authorised by the Section 151, or Deputy Section 151 Officer

Officers authorised to enter into Money Market arrangements are listed as Dealers on the Treasury Management Responsible Officers List.

### **Fund Management and Custody Agreements – 2 signatories required**

Service Manager – Pensions, Insurance and Money Management

Principal Financial Manager – Treasury Management and Pension Fund Investments

Authorisers listed in the approved Treasury Management Responsible Officers List.