



## **Oxfordshire Pension Fund**

### **Governance Policy Statement**

#### **Introduction**

- 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.
- 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**

- 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.
- 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**

- Under the terms of the County Council’s constitution, the terms of reference for the Pension Fund Committee are:
  - a) 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).
  - b) The functions under the Firefighter’s Pension Schemes specified in Paragraph 2 in Section H of Schedule 1 to the Functions Regulations.
  
- 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,
  - h) appoint an actuary, and independent financial advisor(s), for the fund
  - i) approve an annual report and statement of accounts for the fund
  - j) approve an annual budget and business plan for the investment and administration of the fund
  - k) consider, and if appropriate, approve applications of employers to become admitted bodies to the fund
  - l) consider all other relevant matters to the investment and administration of the fund.

## Membership of the Committee

- The Committee's members shall be appointed by full Council and shall comprise
  - a) 7 County Councillors
  - b) 1 Representative of the City and District Councils of Oxfordshire
  - c) 1 University representative
  - d) 1 Pension Scheme Member representative.

The 7 County Councillor members of the Committee shall have full voting rights. The other 3 representatives are all non-voting members of the Committee.

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.

- All members appointed to the Committee shall participate in a training programme to ensure that the Committee as a whole has the appropriate skills and knowledge to fully undertake its statutory responsibilities. Named substitute members can only sit on the Committee in the event of the absence of one of the duly appointed Committee members, where they have complied with the requirements of the Training Policy.
- All Committee Members and Named Substitutes are required to
  - a) attend:
    - In their 1st year
      - i. An induction on the Oxfordshire Pension Funds Policies, and either
      - ii. The 3-day LGA Fundamentals Course, or
      - iii. The 5 Core and 4 DB on-line modules of the Pension Regulators Trustee Toolkit
    - In each subsequent year
      - i. All pre-Committee training
      - ii. A minimum of 2 days' additional training
  - b) complete the annual Knowledge Assessment exercise run by Hymans Robertson; and
  - c) maintain a score on the Knowledge and Assessment exercise consistent with their responsibilities as a serving member of the Pension Fund Committee or Pension Board as appropriate.

## **Knowledge & Skills**

- All members appointed to the Committee shall participate in a training programme to ensure that the Committee as a whole has the appropriate skills and knowledge to fully undertake its statutory responsibilities.
- The Fund will produce an Annual Training Plan based on a training needs assessment for the Committee and Board. It is a mandatory requirement for Committee and Board members to undertake the required training.
- The Fund will produce an Annual Report which includes details of Committee and Board member training records and attendance.

## **Operational Procedures**

- 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.
- At each meeting, the Committee will receive reports on the investment performance of the Fund. The Brunel Company will be invited to attend meetings as appropriate, and answer questions from the Committee on the performance of the various portfolios relative to their specifications, and on the underlying performance of the Fund Managers.
- 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 Brunel company.
- Any member of the public has the right to seek to address the Committee by making a formal request in advance of the meeting.
- 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 Investment Strategy Statement, and the Funding Strategy Statement, and any significant subsequent changes.
- The Committee oversee and review various other aspects of the fund including the risk register, internal controls, policies and processes for managing conflicts of interest (e.g. Codes of Conduct, Register of Interests).

- The governance arrangements for the Brunel Pension Partnership investment pool are set out in the Shareholders Agreement and supported by the Service Agreement signed by the Brunel company and the 10 partnership LGPS funds. Oversight of the performance of the Brunel company is undertaken by the Brunel Oversight Board which consists of one member representing each Fund. Oxfordshire's representative is selected following the establishment of the new Committee after the full Council elections. The Shareholders Agreement sets out those matters which can only be taken forward following a vote of the 10 shareholders – Oxfordshire have delegated the responsibility for exercising their vote to the Section 151 Officer, following consultation with the Committee as appropriate.
- As 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.

### **Local Pension Board**

- 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 and effective governance and administration of the scheme.
- The Board has been established with 3 employer representatives, 3 scheme member representatives and a non-voting independent chairman.
- 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.
- All Board Members are required to
  - a) attend:
    - In their 1st year
      - i. An induction on the Oxfordshire Pension Funds Policies, and either
      - ii. The 3-day LGA Fundamentals Course, or
      - iii. The 5 Core and 4 DB on-line modules of the Pension Regulators Trustee Toolkit
    - In each subsequent year
      - i. All pre-Committee training
      - ii. A minimum of 2 days' additional training

- b) complete the annual Knowledge Assessment exercise run by Hymans Robertson; and
- c) maintain a score on the Knowledge and Assessment exercise consistent with their responsibilities as a serving member of the Pension Fund Committee or Pension Board as appropriate.

### **Informal Governance Arrangements**

- 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.
- 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.
- The Fund have established a Governance and Communications Team with a Governance & Communications Manager and two Officer. The team is tasked with supporting the Committee and Board on all governance matters, including:
  - a) The General Code of Practice;
  - b) The Risk Register;
  - c) The Breaches Register;
  - d) The Training Plan.