

## The Oxfordshire Local Government Pension Scheme (LGPS) 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 2018/19 financial year, covering the work from the July 2018 Board meeting to their meeting on 26 April 2019.

### Board Membership

David Locke resigned from the Board at the end of 2018 as due to a change of job, he was no longer representative of the scheme employers within the Fund. Lisa Hughes, the Chief Operating Officer for the River Learning Trust joined the Board with effect from the April meeting following a request for expressions of interest. Attendance at Board meetings was as follows:

Scheme Employer Representatives	Attended 13 July 2018 Meeting	Attended 26 October 2018 Meeting	Attended 18 January 2019 Meeting	Attended 26 April 2019 Meeting
Cllr Bob Johnston (Oxfordshire County Council)	No	Yes	Yes	Yes
Cllr Sandy Lovatt (Vale of White Horse District Council)	n/a	Yes	Yes	Yes
David Locke (Oxford Diocesan Schools Trust)	Yes	Yes	n/a	n/a
Lisa Hughes (River Learning Trust)	n/a	n/a	n/a	Yes
Scheme Member Representatives				
Stephen Davis (Oxford City Council & Unite)	Yes	Yes	Yes	Yes
Alistair Bastin (Oxfordshire County Council & Unison)	Yes	Yes	Yes	Yes
Sarah Pritchard (Brookes University)	No	Yes	Yes	Yes

All meetings were attended and chaired by Mark Spilsbury, the Head of Pensions for the Gloucestershire Pension Fund in line with his appointment as the Independent Chairman. Mark took over as Independent Chairman at the beginning of 2017/18 following the retirement of Graham Burrow from his role as Head of Pensions at Gloucestershire, and his subsequent resignation from the Oxfordshire Local Pension Board. Sean Collins, the Head of Pensions for the Oxfordshire Fund remains as Independent Chairman of the Gloucestershire Local Pension Board.

Three members of the Pension Fund Committee each attended one meeting of the Pension Board during the year as an Observer.

A number of the Board Members regularly attended the Pension Fund Committee as observers, with Cllr Bob Johnston 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.

### **Work Programme**

The main area of focus for the Pension Board throughout 2018/19 was in respect of employer management, and in particular the development and monitoring of the Improvement Plan looking at timely and accurate submission of data from employers to the Pension Services team, and the issuance of Annual Benefit Statements in line with the statutory deadlines. The Board received up to date reports on the latest position on the submission of data, issuance of annual benefit statements, proposed changes to the process, the discussions with the Pension Regulator and the Improvement Plan for the 2018/19 statements at each of their 4 meetings during the year.

During the year, the Board particularly focussed on

- The need to support the Pension Services team in recruiting and retaining sufficient staff skills and resources to complete the work programme
- The opportunities in future to introduce greater standardisation and automation to the process, including the implementation of i-connect
- The need for national benchmark data on the key administration responsibilities to allow individual funds to consider their performance in comparison to other similar Funds, and to monitor progress against key milestones within the Improvement Plan.

At each of their meetings, the Board also reviewed the Risk Register papers presented to the meetings of the Pension Fund Committee and offered a number of challenges to the presentation of the data and to individual risk scores, as well as identifying areas which they did not believe were adequately covered in the risk register. The Board had a particular focus around the risks associated with the skills and knowledge of the Committee and whether the risks around environmental, social and governance factors, particularly climate change were appropriately reflected in the register.

The third item which the Board considered at each of their four meetings during 2018/19 was the Committee's Annual Business Plan. Key issues identified by the Board were the need for appropriate key performance indicators, the need for more detailed monitoring of the budget during the year, and the need to ensure that the objectives of the business plan properly reflected both the statutory duties, but also the needs of the various customers of the service.

Two items appeared three times on the Board's agenda during the year. The first of these was the Board's own constitution which was reviewed at the first three meetings of the year, particularly in respect of how the agenda of meetings was determined. After considerable debate it was finally determined that no significant changes were required. The other item considered on three separate occasions during the year was the issue of cost transparency and investment fees. The Board were keen to develop an improved approach to monitoring investment fees to ensure that the Fund were getting value for money from the contracts held with fund managers.

During the year, the Board also took an interest in the development of the Brunel Pension Partnership, the approach to the 2019 Valuation, the extension of the contract for the Independent Financial Adviser, and the risks to individual Board members and whether there was a requirement to put indemnity insurance in place.

### **Future Work Programme**

The issues around data quality will continue to be a major item on the agenda of the Pension Board for 2019/20, including reviewing the implementation and roll out of i-connect. We are currently expecting national guidance on the publication of Common and Scheme Specific Data Quality measures, which will provide a framework for the Board to measure on-going improvement.

The Board will also be keen to review the new governance arrangements being developed to enable the Pension Fund Committee to hold the Brunel Company to account. This work will cover both investment performance and performance against the engagement and responsible investment policies.

A key issue for the Board during 2019/20 will be the 2019 Valuation process and results. This will include reviewing the Funding Strategy Statement and the approaches to managing employer risks within the valuation process.

The Board will also maintain its focus on the risk register and annual business plan to ensure that the Committee is able to meet its statutory duties. This work will include a review of the resources in place as well as the skills and knowledge of both staff and the Pension Fund Committee. The Board Members will remain committed to completing their own training programmes to support them in their own activities.

July 2019