



To: Members of the Local Pension Board

Notice of a Meeting of the Local Pension Board

Friday, 21 October 2016 at 10.30 am

Room 3 - County Hall, New Road, Oxford OX1 1ND

Peter G. Clark
County Director

October 2016

Contact Officer: **Julie Dean**
Tel: 07393 001089; Email: julie.dean@oxfordshire.gov.uk

Membership

Chairman – Graham Burrow

Scheme Representatives on the Board:

Alistair Bastin	Unison
Stephen Davis	Unite
1 Vacancy	

Employer Representatives on the Board:

District Councillor Roger Cox	Vale of White Horse District Council
Councillor Bob Johnston	Oxfordshire County Council
David Locke FCA	Oxford Diocesan Schools Trust

Notes:

- **Date of next meeting: 13 January 2017**

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, or

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Glenn Watson on **07776 997946** or glenn.watson@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

1. **Welcome by Chairman**
2. **Apologies for Absence**
3. **Declarations of Interest - see guidance note opposite**
4. **Petitions and Public Address**
5. **Minutes**

To approve the minutes of the meeting held on 15 July 2016 (**LPB5**) and to receive information arising from them.

6. **EXEMPT ITEMS**

*The Committee is **RECOMMENDED** that the public be excluded for the duration of items 7 and 8 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

THE REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS OF THE BOARD AND OFFICERS ENTITLED TO RECEIVE THEM.

7. **Exempt Minutes - 15 July 2016**

To approve the exempt part of the Local Pension Board Minutes of the meeting held on 15 July 2016 (**PF7**).

The public was excluded during this item because its discussion in public was likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure could distort the proper process of each of the 10 Committees negotiating the final proposal. It is intended that once all Committees have agreed the final proposal for submission to Government, the final proposal will become a public document. Disclosure would also*

prejudice the commercial position of the individual pension funds, and future negotiations with Fund Managers.

8. Additional Voluntary Contribution (AVC) Scheme

At the request of a member of the Board, the attached report (**LPB8**) covers the current arrangements for the Funds AVC scheme. The Board is invited to consider the arrangements and make recommendations to the Committee where appropriate.

The public should be excluded during this item because its discussion in public was likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

9. Employer Management

This report (**LPB9**) follows a request made by the Board at its last meeting for further information on the approach to employer management, including the approach to employer engagement, the identification of employer related risks, and the support and training provided to employers.

The Board is invited to note the latest position on employer management and offer any comments. As the full performance model is developed following completion of the 2016 Valuation, further reports will be brought to the Board for information and consideration.

10. Annual Review of Pension Administration Performance

The attached report (**LPB10**) was initially presented to the Pension Fund Committee at its meeting on 2 September 2016 and covers the key performance issues associated with the Pensions Administration Service. The Board are invited to consider the full report, but in particular to review the details provided of the formal complaints received during the year, and to identify any trends or issues which may need further action.

11. Risk Register

Attached at **LPB11** is the latest risk register as presented to the Pension Fund Committee on 2 September 2016. The Board is invited to review the report and to offer any comments to the Committee.

12. Annual Report

Attached at **LPB12** is a short report on the work of the Board during its first year. The Board is invited to approve the report for publication.

13. Issues/Items to be reported back to Scheme Members

This is the standard item to be included at the end of the Agenda to consider what issues/items the Board wishes to report back to scheme members.

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LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 15 July 2016 commencing at 10.30 am and finishing at 12.25 pm

Present:

Voting Members: Graham Burrow – in the Chair

Alistair Bastin
District Councillor Roger Cox
Stephen Davis
Councillor Bob Johnston

Officers:

Whole of meeting Sean Collins (Corporate Finance); Julie Dean
(Corporate Services)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with the confidential Annex 1 to the Collaboration item and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

21/16 WELCOME BY CHAIRMAN

(Agenda No. 1)

The Chairman, Graham Burroughs, extended a welcome to the members of the Board present.

22/16 APOLOGIES FOR ABSENCE

(Agenda No. 2)

An apology was received from David Locke.

23/16 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE OPPOSITE

(Agenda No. 3)

There were no declarations of interest submitted.

24/16 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were no requests to submit a petition or to make an address.

25/16 MINUTES

(Agenda No. 5)

The Minutes of the last meeting were approved and signed as a correct record.

26/16 COLLABORATION UPDATE

(Agenda No. 6)

This item allowed Board members to consider the Brunel submission to the Government, as discussed at the 1 July 2016 Pension Fund Committee meeting, to which Board members had been invited; and determine any items they wished to focus on during the phase 3 stage to develop the full business case. Board members were reminded that the draft submission (Annex 1), which was submitted to the 1 July special meeting was confidential at the present time.

The public were therefore excluded during consideration of Annex 1 because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

2. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure could distort the proper process of each of the 10 Committee's negotiating the final proposal. It is intended that once all Committees have agreed the final proposal for submission to Government, the final proposal will become a public document.*

The Board **AGREED** to note the report LPB6. Discussion on Annex 1 was the subject of an exempt Minute.

27/16 REVIEW OF PENSION FUND RISK REGISTER

(Agenda No. 7)

The Board had before them a copy of the Pension Fund Committee's Risk Register (LPB7) and covering report which had been considered by the Committee at its June meeting. Sean Collins introduced it stating that the Committee had been engaged in seeking greater clarity on risk and had agreed to welcome the new format of the risk register and to review it at each quarterly meeting.

With regard to Risk 10 – 'Insufficient resources to deliver responsibilities – LGPS and FSPS' - 'Currently recruiting new staff but this could be impacted by move from Unipart House' Mr Collins reported that the Pensions Manager had received a good response to job advertisements; and the Committee had instructed Property officers to look into possible venues for the staff when Unipart House was vacated. It was hoped then that the risk would be mitigated by the next meeting of the Committee. Steven Davis suggested that officers look into any vacant City Council property/space.

Sean Collins directed the Board's attention to Risk 17 – 'Significant change in liability profile or cash flow as a consequence of structural changes' – stating that one of the Pools which was considered smaller than the Government guidance, had indicated that they could try to bring the Pool up to the right size by including all the academies for the country. This would impact negatively on the cash flow of the Oxfordshire Fund as well as the size of the Brunel pool and if raised formally would have to be opposed.

With regard to Risk 8 – 'Inaccurate or out of date pension liability data – LGPS and FSPS' – a Board member asked if the Committee was beginning to see any mitigation as a result of an increased attention being paid to it. Sean Collins reported that it was too early to form a view, but that the position would be much clearer after the review of the information provided for the 2016 valuation. This was currently underway.

Sean Collins agreed that, in light of all the complex changes to staffing structures, the Pensions Administration Strategy now needed to be developed in order to be fit for the future. This would require more attention to be paid to training and communication. In addition, there was a need to take a fresh look at the quality of the information and data received from the big employers.

The Board AGREED to request the officers to place an item on the Agenda for the next meeting of the Board to receive information on how the Administration Strategy was developed; how officers engaged with employers about matters such as staff projections; and asking if there were structures in place to ensure that OCC were informed of any major issues which could have an impact on the Pension Fund in the future, such as plans to outsource staff, or whether there was any new legislation on the horizon that may affect their members. The report should also address the question should OCC employ a Programme Manager to manage this.

28/16 PENSION BOARD - ROLES AND RESPONSIBILITIES

(Agenda No. 8)

Sean Collins reported that the present was a good time to reflect on how things were going and what should be the focus for the next year. This would be set out in an Annual Report. He added that an important issue, which had not yet been considered, and was also for the Annual Report, was to understand any liability resting with individual Board members and whether this was adequately covered under the Council's insurance arrangements. ***It was AGREED that that the Annual Report should also focus on Employer Management.***

Members of the Board also discussed how they might more effectively report to the Committee on their discussions/advice. Graham Burrow advised that at Gloucestershire, Board members appointed a member to report to the Committee.

29/16 ISSUES/ITEMS TO BE REPORTED BACK TO SCHEME MEMBERS

(Agenda No. 9)

It was **AGREED** that the Annual Report containing all the factors agreed at the previous item be reported back to Scheme Members, together with details of the Board's new website.

..... in the Chair

Date of signing

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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OXFORDSHIRE LOCAL PENSION BOARD – 21 OCTOBER 2016

EMPLOYER MANAGEMENT

Report by the Chief Finance Officer

Introduction

1. At the July meeting of the Pension Board, it was agreed to add an item to the agenda for this meeting, covering issues around employer management. This was to include the development of the Administration Strategy, the engagement with scheme employers and in particular how key risk issues were identified, and the support and training available for scheme employers.
2. This report respond to the request and sets out the latest position on where we are with employer management and the key background issues.

Background

3. The issues of employer management have grown in significance over the last few years. A number of factors have contributed to this including:
 - A significant growth in employer numbers as a result of the introduction of Academy schools, and greater numbers of outsourced contracts.
 - Greater complexity within the LGPS regulations which have increased the demands on employers for information. This has been at a time when many employers have been seeking to implement budget reductions.
 - A reduction in the overall cash-flow for the Pension Fund, which brings closer the day when cash-flow becomes negative, and the investment strategy needs to be amended to ensure sufficient cash is available each month to meet the pension pay bill.
 - A small number of employer failures and the writing off of pension deficits.
 - The increased scrutiny of the scheme through both the increased role of the Pension Regulator and the introduction of Pension Boards.
4. The Pension Fund Committee responded to the issue and made significant changes to its agenda from the June 2015 meeting onwards. They reduced the number of occasions each of the Fund Managers was required to present to the Committee from twice to once a year, and re-scheduled the running order so that issues associated with employer management were taken earlier in the agenda.
5. New reports were developed for the Committee which sought to present in simple traffic light form which employers were complying with the responsibilities and which were falling short. These reports continue to be developed in light of experience.

Current Position

6. The Fund's Administration Strategy sets out the key roles and responsibilities for the Scheme Manager and the Scheme Employers. This Strategy is reviewed each year at the June meeting of the Committee, and any significant changes are subject to consultation with all scheme employers. The current Administration Strategy is contained as an annex to this report, and was agreed at the June 2016 meeting.
7. The main change to the Administration Strategy in June involved the scale of charges to be invoked where employers failed to meet their responsibilities. Charges were raised significantly to reflect the significant workload that can be associated where data from employers is either inaccurate or late, and to ensure employers were incentivised to meet their responsibilities. At the Committee, it was confirmed that charges would not automatically be applied, but each case individually assessed.
8. The key returns from employers are the monthly contribution returns and MARS reports and the end of year returns. These returns detail all starters and leavers from the scheme, any key changes to their records, their monthly pay (for the CARE scheme) and annually, their final pay (for those in the scheme prior to 2014). These reports should reconcile the monthly contributions paid over following each month's payroll and the contributions attributable to each individual scheme member.
9. These returns have become increasingly complex since the introduction of the new scheme in 2014, with two different definitions of pensionable pay the cause of most issues. Pension Services are currently reviewing the guidance sent out to all employers to address the most frequent issues, and will follow this up with training sessions as required. Unfortunately, our experience is that those who tend to attend the regular employer meetings and training sessions are those with the least issues. The absence of those with the greatest challenges is sometime simply a consequence of limited resources within the employer particularly with the new smaller employers, though sometimes reflects a lack of understanding of their employer responsibilities.
10. The current review of the returns and associated guidance notes is also covering the level of checks that will be applied to the data on receipt, the process for returning inaccurate returns to employers for completion, and the escalation process including imposition of fines where accurate data is not forthcoming. Targets for receipt of accurate data are being revised and new reports are being devised to be shared with the Committee and this Board.
11. Accurate data is key to providing a service to individual scheme members, whether it is the statutory annual benefit statements, deferred benefit statements, and statements where annual allowances have been exceeded, or estimates for individual's pensions and employer costs on redundancy.

12. The summary data is also critical in monitoring the overall Fund and in particular the cashflow position. Currently the Fund receives around £1m more by way of contributions than it pays out in pensions allowing the Fund to invest the balance in assets best placed to deliver long term returns to the Fund, thereby closing the current Fund deficit and keeping employer contributions as low as possible. Once the position moves to where pension payments exceed contributions, the investment strategy will need to be reviewed to ensure there are sufficient cash generating assets to fund the monthly pension payroll. It is therefore critical to be able to monitor employer returns to identify any trends in contributions which suggest the Fund is becoming cash negative.
13. Alongside the monitoring of returns, it is hoped to start an engagement programme with the larger employers to develop a better picture of future changes within the employer which will directly impact on their Fund membership. This will allow a more proactive approach to cash management alongside the reactive monitoring of contributions.
14. As well as identifying those large employers where a strategic change could have a material impact on the overall position of the Fund, we are also looking to identify those employers where the size of deficit and current financial standing provides a risk to the Fund. A key measure identified in the recent report from the Government's Actuarial Department was the impact on contribution rates for those employers where there is a statutory underpin to payments, if the remaining employers were to default and be unable to meet their deficit payments.
15. We are currently awaiting for the Fund Actuary to complete his work on the 2016 Valuation, as this will provide a significant amount of data to enable us to identify key employers at risk and model various financial scenarios. This includes a follow up piece of work from Barnett Waddingham on employer covenants and financial status which the Committee have recently commissioned.
16. Going forward therefore we are looking to build a performance model which allows the Committee to monitor:
 - The overall cash-flow position of the Fund
 - Those employers presenting the greatest risk to the Fund in terms of default on deficit payments
 - Those employers presenting the greatest challenges in terms of accurate and timely member data, and the numbers of scheme members impacted.
17. The performance model will be supported through the Administration Strategy and the current communications and training programme. To ensure all employers who need training are encouraged to attend the training following their initial induction, it is proposed to make a further amendment to the Administration Strategy to offer mandatory training as an alternative to an

initial charge where an employer has failed to adequately respond to concerns about the accuracy and timeliness of their returns.

- 18. The Board are invited to note the latest position on employer management and offer any comments. As the full performance model is developed following completion of the 2016 Valuation, further reports will be brought to the Board for their information and consideration.**

Lorna Baxter
Chief Finance Officer

Background documents: Nil

Contact Officer: Sean Collins, Service Manager (Pensions), Tel: 07554 103465,
sean.collins@oxfordshire.gov.uk

October 2016

Oxfordshire Pension Fund Administration Strategy Statement

Introduction

Oxfordshire County Council as the scheme manager for the Oxfordshire Pension Fund (the “Administering Authority”) has prepared this administration strategy in line with Regulation 59 and Regulation 70 of the Local Government Pension Scheme Regulations 2013 (the “Regulations”).

This strategy *will* apply to all Employers whether they have signed up, or not. However, we would much rather work with Employers to provide a service that is both efficient and effective and in which scheme members can have confidence.

Purpose

This policy sets out the role and responsibilities of the Scheme Manager (previously known as the Administering Authority) and the role and responsibilities of *all* Scheme Employers to ensure effective administration of the Local Government Pension Scheme.

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Aim

To administer the scheme in line with both the Regulations and The Pension Regulator’s codes of practice by ensuring that Scheme Employers understand and comply with the requirement to submit information to Pension Services for the administration of LGPS 2014 and what records Scheme Employers are required to maintain, in line with the definitions of the 2008 scheme regulations.

Documents Making Up the Strategy

Service Level Agreement, setting out the roles and responsibilities of the Scheme Manager and the Scheme Employer; detailing the KPIs which will be used in reporting performance.

Oxfordshire Pension Fund’s Communication Strategy

Scale of Charges – setting out what charges will be made in certain circumstances

The Agreement – setting out trigger points, the extent and manner in which Scheme Employer contribution rates will be varied under this strategy.

Review of Strategy

This strategy will be reviewed annually or earlier if there are material changes.

Service Level Agreement

The following tasks are the responsibility of the Administering Authority in administering the scheme. The timescale shown is from receipt of *all* information: -

Task	Timescale Working days	Target	Notes
New Entrants	20	95%	
Transfers in	10	90%	
Estimates (member)	10	90%	Limited to one request per annum
General Enquiry (member)	10	90%	
Transfers out	10	95%	
Retirement	10	95%	
Deferred Benefits	40	90%	
Refund of Benefits – Payment	10	95%	
Death	10	95%	
Divorce - PSO	10	95%	
Estimates (employer)	10	90%	
General Enquiry (employer)	10	90%	
APCs	10	90%	
Re-employments	40	90%	
Changes e.g. address; name	10	90%	
Pension Adjustments – PI; MOD; GMP	Payroll Deadline	90%	
Annual Allowance	10	90%	

Scheme Employer responsibilities:-

<p>Data retention and submission</p>	<ul style="list-style-type: none"> • Keep final pay details in line with 2008 definition of final pay • Keep pay information to comply with any Regulation 10 decisions • Submit monthly data return (MARS) to pension.services@oxfordshire.gov.uk by 19th of the month following payroll
<p>Data queries</p>	<p>Oxfordshire Pension Fund is <u>not responsible</u> for verifying the accuracy of the data provided.</p> <ul style="list-style-type: none"> • Any queries arising will be referred back to the scheme employer. • Scheme employers will be responsible for recovering any overpayments arising from provision of incorrect information. <p style="text-align: center;">This page is intentionally left blank</p>
<p>Pay over monies due</p>	<ul style="list-style-type: none"> • Monthly contributions to be paid correctly and on time. Payment to clear Oxfordshire Pension Fund bank account by 19th of the month following payroll. Should the 19th fall on a weekend or bank holiday the deadline date changes to the immediately preceding working day. • Deficit contributions • Rechargeable benefits • Retirement strain costs <p>All payments to be made to the Oxfordshire Pension Fund A/C.</p> <p>All paperwork supporting payments to be submitted when payment is processed to : pension.contributions@oxfordshire.gov.uk</p>
<p>End of Year Returns</p>	<p>You must submit your end of year return by 30th April at the latest, after the end of each financial year.</p> <p>This return must include a figure for pensionable remuneration that reflects the full time equivalent pay (plus any other pensionable salary additions) for the period 01</p>

	April to 31 March of each tax year, in line with the 2008 definition of pay.
End of Year Errors	<p>From April 2015 Oxfordshire Pension Fund will be limited in the checks it is able to carry out on the data submitted.</p> <ul style="list-style-type: none"> • Any queries arising will be referred back to the Scheme Employer • Scheme Employers will be responsible for recovering any overpayments arising from provision of incorrect information.
Discretionary Policies	<p>Discretionary Policies must be</p> <ul style="list-style-type: none"> • Made within three months of a material change • Published • Reviewed
Pension Contacts	<p>Notify Pension Services of any new contact within one month of the change – form on website - https://www.oxfordshire.gov.uk/cms/content/pension-scheme-forms-employers</p>
Outsourcing of Services	<p>Most Scheme Employers have a responsibility through either Fair Deal or Best Value Directions Orders to ensure that staffs pension rights are protected on transfer of scheme eligible staff to another employer, even if not currently in the pension scheme. Please contact Pension Services if you are considering outsourcing.</p>

Communication and Liaison

Scheme Employers are required to provide contact details of any nominated staff dealing with pension issues. The Scheme Employer is required to notify the Scheme Manager of any changes as soon as they occur.

In line with the Oxfordshire Pension Fund Communication Policy, the Scheme Manager will:

- Send a monthly newsletter – Talking Pensions – to all nominated contacts.
- Hold quarterly Scheme Employer meetings to discuss current pension issues.
- Hold quarterly administration training sessions for new Scheme Employers.
- Provide ad-hoc training / information sessions as requested.
- Maintain the pension website at www.oxfordshire.gov.uk/pensions for Scheme Employers, including links to national websites.

Payments & Charges

Payment of all contributions, this page is intentionally left blank, each month should be paid to the Oxfordshire Pension Fund bank account. Payment and the return detailing the contributions deducted must be received and cleared through the account by the Pension Investment Team by 19th month following deduction.

AVC contributions should be paid directly to the scheme's AVC provider – The Prudential Assurance Company.

Scheme Employers will be sent a separate invoice for any early strain costs arising from redundancy, early or flexible retirement, or the waiving of any actuarial percentage reductions along with a proposed payment schedule. Early strain costs arising from ill-health retirements will not be charged directly, but assessed as part of the triennial valuation exercise.

Interest on late payments will be charged at 1% above base rate and compounded with three-monthly rests in line with Regulation 71.

The schedule of charges is:

Making payment to Oxfordshire County Council bank account rather than Oxfordshire Pension Fund bank account	£75 per case
Late receipt of contributions	Interest at 1% above bank rate as per regulation 71*
Failure to provide contribution return by 19 th month following deduction	1-50 scheme members - £100 plus £50 for each subsequent chase

	51-500 scheme members - £500 plus £250 for each subsequent chase Over 500 scheme members - £1,000 plus £500 for each subsequent chase.
Failure to provide MARS return by 19 th month	1-50 scheme members - £100 plus £50 for each subsequent chase 51-500 scheme members - £500 plus £250 for each subsequent chase Over 500 scheme members - £1,000 plus £500 for each subsequent chase.
Failure to provide End of Year return by 30 April	1-50 scheme members - £100 per day 51-500 scheme members - £500 per day Over 500 scheme members - £1,000 per day
Failure to provide information requested within 10 working days.	£50 per case
Re-do of work due to incorrect information supplied by scheme employer	£50 per case
Where a retirement payment is paid late due to scheme employer providing information	The interest payable will be recharged to the scheme employer

*The Local Government Pension Scheme Regulations 2013

Dated (Please write date)

(1) THE OXFORDSHIRE PENSION FUND

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(2) (EMPLOYER – Please write name of organisation)

The Agreement
In relation to the Oxfordshire Pension Fund
County Hall
New Road
Oxford

OX1 1TH

Pensions Administration Strategy (PAS)

This Agreement is made the day of 2014

Between:

- (1) **THE OXFORDSHIRE PENSION FUND** of County Hall, New Road, Oxford OX1 1TH (the “**Scheme Manger**”); and
- (2) **xx** of xx (the “Employer”)

Whereas

(A) The Scheme manager is an administering authority for the purposes of the Local Government Pension Scheme Regulations 2013 (the “Regulations”). It administers and maintains the Oxfordshire Pension Fund (the “Fund”) in accordance with the Regulations.

(B) The Scheme Employer is a body listed in Schedule 2 of the Regulations and, in the case of a body listed in Part 3 of Schedule 2 of the Regulations, has entered into one or more admission agreements with the Scheme Manager.

(C) In accordance with Regulation 59 of the Regulations, the Scheme Manager has prepared the Pension Administration Strategy Statement setting out amongst other things the Service Level Agreement.

(D) In preparing the Pension Administration Strategy Statement, the Scheme Manager consulted the employing authorities in the Fund (including the Employer) [and such other persons it considered appropriate]. The Scheme Manager published the Pension Administration Strategy Statement and sent a copy of it to each of the employing authorities in the Fund (including the Scheme Employer) and to the Secretary of State for Communities and Local Government.

(E) The Scheme Manager will keep the Pension Administration Strategy Statement (including the Service Level Agreement) under review and will make such revisions as are appropriate following any material change in its policies in relation to any of the matters contained in the Pension Administration Strategy Statement.

(F) The Scheme Manager and the Scheme Employer have agreed to enter into this Agreement to document their agreement to comply with and be bound by the terms of the Service Level Agreement.

Now it is agreed as follows:

1. Interpretation

Terms not otherwise defined herein shall bear the meaning ascribed to them in the Regulations.

2. The Service Level Agreement

2.1 With effect from the date of this Agreement, the Scheme Manager and the Scheme Employer agree to use their reasonable endeavours to comply with and be bound by the terms of the Service Level Agreement.

2.2 In consideration of this Agreement the Scheme Manager will charge the Scheme Employer a contribution towards the cost of the administration of the Fund which reflects the fact that compliance with the Service Level Agreement will result in greater efficiencies and lower administration costs for the Fund.

2.3 If in the opinion of the Scheme Manager the Scheme Employer has not complied with the terms of the Service Level Agreement the Scheme Manager may charge the Scheme Employer a higher contribution towards the cost of the administration of the Fund.

2.4 When considering whether to charge the Scheme Employer a higher contribution towards the cost of the administration of the Fund in accordance with Clause 2.3 the Scheme Employer shall take into account any failure on its own part to comply with the terms of the Service Level Agreement.

2.5 Clause 2.3 shall not affect the Scheme Manager's ability under Regulation 70 of the Regulations to give written notice to the Scheme Employer where it has incurred additional costs which should be recovered from the Scheme Employer because of the Scheme Employer's level of performance in carrying out its functions under the Regulations or the Service Level Agreement.

2.6 The Scheme Employer acknowledges that the Service Level Agreement may be revised from time to time by the Scheme Manager in accordance with Regulation 59 of the Regulations and that the Scheme Employer will comply with and be bound by the terms of the revised Service Level Agreement.

3. Other Charges

3.1 The Scheme Employer acknowledges that the contribution it is required to pay towards the cost of the administration of the Fund is to cover the cost of meeting the Core Scheme Functions.

3.2 Where the Scheme Employer requests that the Scheme Manager provides services beyond these functions the Scheme Manager reserves the right to charge the Scheme Employer for the provision of such services. Non-core services include by way of example and without limitation the provision of FRS17 reports, bulk redundancy calculations, bulk information requests, member presentations, site visits and the payment of compensatory added year's benefits. Such services will be provided on terms agreed at the time between the Scheme Manager and the Scheme Employer.

4. Notices

4.1 Any notices under this Agreement shall be in writing and shall be served by sending the same by first class post, facsimile or by hand or leaving the same at the headquarter address of the Scheme Employer or the headquarter address of the Scheme Manager.

5. Waiver

Failure or neglect by the Scheme Manager to enforce at any time any of the provisions of this Agreement shall not be construed nor shall be deemed to be a waiver of the Scheme Manager's rights nor in any way affect the validity of the whole or any part of this Agreement nor prejudice the Scheme Manager's rights to take subsequent action.

6. More than one Counterpart

This Agreement may be executed in more than one counterpart, which together constitutes one agreement. When each signatory to this Agreement has executed at least one part of it, it will be as effective as if all the signatories to it had executed all of the counterparts. Each counterpart Agreement will be treated as an original.

7. Laws

7.1 This Agreement will be governed by and interpreted in accordance with the laws of England and subject to the exclusive jurisdiction of the English courts.

7.2 Any rights that a third party may have under the Contracts (Rights of Third Parties) Act 1999 are excluded.

AS WITNESS the hands of the parties hereto have been set the day and year first before written.

.....
**SIGNED FOR AND ON BEHALF OF
THE OXFORDSHIRE PENSION FUND**

For and on behalf of the [Name of Employer]:

SIGNED by [name]

Signature

Position

(and duly authorised signatory)

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Division(s): N/A

PENSION FUND COMMITTEE – 2 SEPTEMBER 2016

PENSIONS ADMINISTRATION – SERVICE PERFORMANCE

Report by the Chief Financial Officer

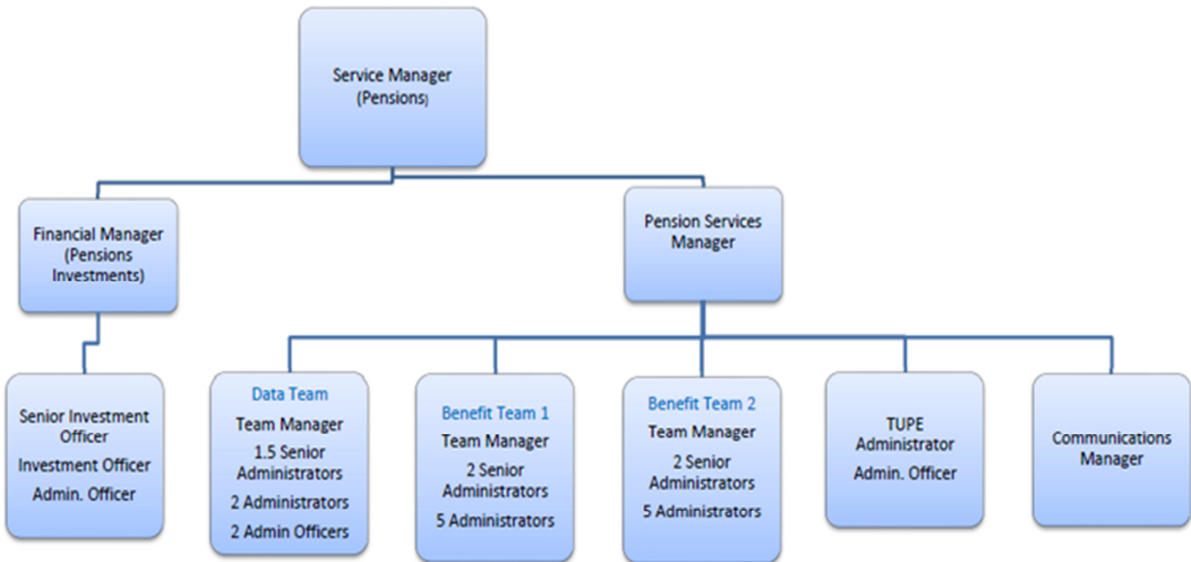
Introduction

- 1. This is the annual report to update members on the service performance of the administration team during the year to March 2016.

Team Structure & Staffing

- 2. In December 2015 this Committee agreed a revised structure for Pension Services to meet the challenges of increased complexity of the scheme regulations along with an increasing number, and size, of scheme employers all of which were significantly impacting on the volume and quality of data being received.

The proposed structure was:



- 3. Internal changes, promotions and moves means that recruitment has been in progress since this report was approved. The current situation is:

	Data Team	Benefit Team 1	Benefit Team 2	TUPE	Communications	Assistant
Manager	1.00	1.00	1.00		1.00	
Actual FTE	1.00	1.00	0.74		1.26	
Difference +/-	0.00	0.00	-0.26		0.26	
Senior Administrator	1.50	2.00	2.00			
Actual FTE	1.63	1.65	1.70			
Difference +/-	0.13	-0.35	-0.30			
Administrator	2.00	5.00	5.00	1.00		
Actual FTE	3.04	2.63	4.01	0.76		
Difference +/-	1.04	-2.37	-0.99	-0.24		
Administration Assistant	2.00					1.00
Actual FTE	0.00					1.00
Difference +/-	-2.00					0.00

4. Recruitment is ongoing and it is hoped that the benefit team administration will be shortly be at, or very near to strength. The additional administrator in the Data Team is being funded by non-recruitment of two administration assistant posts.
5. Overall vacancies have been carried throughout the year due to issues with recruitment and maternity leave. Added to this is the internal movement / promotion of staff resulting in continual balancing of incoming work against skills and training.
6. The end of the year the FTE was 20.50, which was slightly down on the previous year of 21.2.

Data Returns

7. Members will be aware from reports during the year of the issues with scheme employers either not providing data, or providing incorrect data. Unfortunately this affected many of the larger scheme employers, and so a high proportion of the active scheme membership.
8. In terms of the monthly data returns the biggest issues was that of data for the County Council provided by the Integrated Business Centre (IBC) at Hampshire which either was not forthcoming or incorrect when received. The necessary returns were not received until March 2016 (from July 2015) which then put huge pressure on the team to validate and load this information to Altair.

9. There were also issues with monthly data returns from Oxford City; Academy Schools who outsourced payroll to Kier; Oxford Diocesan Schools Trust and Carillion.
10. On the plus side Activate Learning worked consistently with our team to resolve outstanding data queries.
11. From a team perspective, the increasing number of employers and returns, along with the juggling to cover staff vacancies has made this extremely difficult to manage.
12. End of Year returns – there was an improvement in the number of returns received by deadline but employers often did not carry out basic checks ahead of submitting data which meant these had to be sent back. Again, some of the larger scheme employers had issues with making these returns, which not only has put them to the back of the queue for production of annual benefit statements, but in some cases impacted on other linked scheme employers.
13. An update of the number of annual benefit statements issued by 31 August 2016 will be given at the Committee meeting.

Service Performance

14. Members will note from the statistics in the table below that performance has decreased in all areas and it does not meet our internal targets of between 95% - 97%.
15. The impact of the 2014 scheme introduction is still a major contributing factor since during the year work has had to be stockpiled for clarification of regulations or waiting for the changes to the factors used in calculations. Obviously this also affected our software suppliers meaning that there had to be a much higher number of manual calculations and increased checking procedures to test software.
16. There is a continuing learning curve for team members as many tasks mean working across three sets of regulations due to the protections in place. All of which slows down the task completion rate.
17. All of which is impacted by data quality and delays.

Performance Data

18. The key performance indicators, set in our service level agreements, are monitored and reported monthly, with any variations from specification being investigated. The performance in comparison with industry standard targets is shown below:

Industry Standard PI's	OPF Target Days	OPF Achieved	Against LGPC Target
Letter detailing transfer in quote	10	61.20%	61.20%
Letter detailing transfer out quoted	10	73.20%	73.20%
Process and pay refund*	10	78.00%	41.00%
Letter notifying estimate of retirement benefits	10	56.80%	56.80%
Letter notifying actual retirement benefits.*	10	66.50%	39.10%
Process and pay lump sum retirement grant*	10	82.20%	43.30%
Initial letter acknowledging death of active / deferred / pensioner member	5	94.20%	94.20%
Letter notifying amount of dependant's benefits*	10	91.80%	86.60%
Calculate and notify deferred benefits*	40	46.90%	27.80%
Note: Lines marked with an * indicated LGPC target of 5 days – final column shows performance against that standard. On final line LGPC target is 10 days.			

Formal Complaints

19. If a scheme member wishes to complain about a decision regarding their pension they are encouraged to contact Pension Services to discuss the matter since many complaints arise as a result of misunderstanding or incorrect information.
20. However, if a complaint cannot be resolved informally the regulations set out a formal procedure, The Adjudication of Disagreements Procedure (AoD). During the calendar year 2015 (the last full year recorded) a total of 18 complaints were received. These are summarised below:

Employer	Referred To	Summary	Decision
OCC	AoD.1 - Scheme Employer	Deferred member requested payment of pension on grounds of ill-health in October 2013, this was subsequently approved in November 2014. Member is unhappy with length of time to make decision and lack of detail in the report.	Not Upheld
VWHDC	AoD.1 – Scheme Manager And AoD.2 - Ombudsman	Member completed early choice form for pension benefits to be paid from October 2014. However, member left	Not Upheld – stage 1 Not

		employment in September 2014 and believed payment should be made from the date employment ceased. Member not happy with this decision and so referred complaint to stage 2. Member has now referred case to Pension Ombudsman	Upheld – stage 2
WODC	Internal	Member left employment on 31.08.14 but information re deferred benefits not provided until 03.02.15. Member unhappy with lack of response to queries. Have provided DB & written to member.	Upheld
Sovereign Vale	Internal	DB since 1995 - no ABS issued - member has been contacting PS for a year without result. File was not scanned, so had to be located & record updated. ABS now provided.	Upheld
Oxford City	AoD.2	Member after first complaint was awarded tier 3 ill-health which was subsequently uprated to tier 2. He believed that ill-health retirement at tier 1 should have been granted at time of leaving employment. Not found.	Not Upheld
OCC	AoD.1	Projected death benefits given to member reduced due to changes in regulations - spouse has queried this. Amending regulations received which revised calculation to pre 2014 levels	Upheld
OBU	AoD.1	Member applied to former scheme employer for early release of deferred benefits. Employer policy does not allow for this where there is a cost to the employer.	Not Upheld
Swalcliffe School	Internal	Member left employment & was contacting team about a refund of contributions. However, found scheme employer had not provided starter / pay information. We contacted	Not Upheld

		scheme employer to obtain data and a refund was made on 03 July 2015.	
SODC	Internal	Member 'phoned to query SB ABS - said person who answered 'phone made light of her query & so she felt that her questions / concerns were being dismissed. On investigation understood that whilst member had been unhappy with first telephone response, she had 'phoned back & all had been put right - a written response, to this effect, was sent. Member then 'phoned to say there had been some confusion since she had not made a second telephone call. We discussed the matter fully & member was happy with response and proposed action.	Upheld
Oxford City	AoD.1	Member with regulation 10 protections - quotation for benefits incorrectly calculated - lengthy correspondence - member now seeking compensation for distress caused. Stage 2 confirms that payments are now being correctly made in line with regulations. However, distress acknowledged & a payment of £250.00 proposed. Awaiting response from member. 25.09.15 - Member confirmed acceptance of payment - passed for processing.	Upheld
OCC	AoD.2	Requesting further consideration of application for ill-health retirement benefits. Stage 2 has referred matter back to scheme employer to ensure that the correct questions have been asked / answered by IRMP	Partly Upheld
WODC	Internal	Member unhappy at the delay in	Partly Upheld

		providing information on deferred benefits & options available. Once information was provided member then said they had left employment on grounds of ill-health - information provided about process & member referred back to scheme employer.	
OCC	AoD.1	Deferred member requesting payment of pension on grounds of ill-health. Employer has turned down request - member unhappy with process & wishes to challenge decision / process. Employer has review process & is arranging for a new review of all medical information.	Upheld
Oxford City	AoD.1 – scheme employer and AoD.2 – scheme manager	Member signed early choice form on 26.01.15 requesting payments to be brought in to payment on 11.04.15. Letter sent confirming earliest date was 27.04.15....now in payment member is disputing the date & asking to be reimbursed for period 11.04.15 - 26.04.15.	Not Upheld – stage 1 Not Upheld – stage 2
OCC	AoD.2 – Scheme manager – previously reviewed by Pension Ombudsman	Member seeking release of benefits on grounds of ill-health. PO determination was for scheme employer to review their process / decision. This has been done & member has been told that they do not qualify for ill-health benefits. However, still not happy with process - having consulted with office of PO this has now been accepted under stage 2.	Upheld.

21. Overall this has been a tough year for the team on top of which there is the uncertainty around the office move. However, they remain professional and committed to offering an excellent service to employers and scheme members

despite these challenges. As such, they are a credit to the Oxfordshire Pension Fund.

RECOMMENDATION

22. The Committee is RECOMMENDED to note the report.

Lorna Baxter
Chief Finance Officer

August 2016

Contact Officer: Sally Fox, Pensions Services Manager, Tel: (01865) 323854

Division(s): N/A

PENSION FUND COMMITTEE – 2 SEPTEMBER 2016

RISK REGISTER

Report by Chief Financial Officer

Introduction

1. At its meeting on 11 March 2016, the Committee received a copy of the latest risk register for the Fund, and agreed that it should form a standard item for each quarterly meeting. This report therefore sets out any progress on the mitigation actions agreed for those risks not yet at target, and identifies new risks which have arisen since the initial register was produced.
2. The register has also been updated to identify where risks impact on the Fire Service Pension Scheme as well as the Local Government Pension Scheme.

Progress since Last Committee

3. The March risk register was the first produced in the new format, which introduced the concept of a target level of risk and the need to identify mitigation action plans to address those risks that were currently not at their target score. Many of the action plans were focused on long term improvements, and no significant movement has been completed in the last quarter.
4. The only risk where the risk score moved for the June report was risk 10 in respect of insufficient resources to deliver our responsibilities under the Regulations. The likelihood of the risk was amended from unlikely to possible in light of the potential impact of the vacation of Unipart House, and the consequential move for the Pension Services Team. At the June meeting, the Committee agreed to search for appropriate alternative premises for Pension Services, and a suitable site has since been identified, although any move is subject to detailed negotiations. In the meantime, it is believed that the likelihood of the risk has reduced again to unlikely.
5. In June, a new risk was also added to the risk register as risk 17. This risk covered a significant change in the liability profile or cash flow as a consequence of structural change. The risk was added initially in light of the Unitary Authority debate. Whilst that risk has reduced as the debate has moved forward, risks remain where structural changes lead to transfers out of significant staff numbers, whether to an LGPS Fund outside of Oxfordshire, or a non-LGPS fund, including Health. The key mitigation actions involve greater involvement with the employers in respect of any structural discussions.

6. A new element to this risk this quarter is in respect of the Further Education Colleges. The Department for Business, Innovation and Skills issued a consultation document on an insolvency regime for FE and 6th Form colleges in early July (N.B. Responsibility for the provision switched to the Department for Education under the Government changes announced by the new Prime Minister).
7. This consultation (along with the early area review of college provision aimed at improving the financial stability of the sector) has re-focused attention on the colleges' membership of the LGPS.
8. Both the area review and the new insolvency regime aim to protect the education provision, but both potentially involve the merger of colleges which could mean a college leaving their local LGPS, and creating an exit payment. The Government have confirmed within the exercise that there is no Government guarantee to under-write future pension deficit costs.
9. Whilst the area review of the Thames Valley colleges has not proposed any short term changes to the Oxfordshire colleges, the exercise has indicated the risk of future structural or financial change which may expose the Fund to a risk on future deficit payments. The risk of a national change to remove colleges from the LGPS is more likely to be accompanied by a nature proposal on the funding of future deficits.
10. The main mitigation to this risk involves discussions with the Actuary over the basis of the calculation of the contribution rate for the colleges, which could involve higher contributions to reduce the level of future deficits. This needs to be considered alongside the risk that any increase in contribution rates directly causes the insolvency risk to materialise.
11. Other changes to the risk register this quarter are at risks 11 and 13. In respect of risk 11, the development of a needs led training plan for Members has been delayed from an initial target of June to December 2016. This reflects the pressure of work associated with the Brunel Project.
12. On risk 13, the impact score and the likelihood have both been increased as a result of system concerns regarding the pension payroll. These concerns relate to the risk that the pension payroll file will not be compatible with the software used to transfer money to the accounts of the individual pensioners. We are currently trying to reconcile the error messages being received from the BACS systems, with the statements from our service support company which inform us that all necessary upgrades have been completed in advance of the 19 September deadline. The risk is now seen as possible with a major impact.

RECOMMENDATION

13. **The Committee is RECOMMENDED to note the current risk register.**

Lorna Baxter
Chief Finance Officer

Background Papers: None

Contact Officer: Sean Collins, Service Manager (Pensions), Mob: 07554 103465

February 2016

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Part D: Risk Register

Identification of Risks:

These are the risks that threaten the achievement of the Pension Fund's objectives. Risks have been analysed between:

- Funding, including delivering the funding strategy;
- Investment;
- Governance
- Operational; and
- Regulatory.

Key to Scoring

Impact		Financial	Reputation	Performance
5	Most severe	Over £100m	Ministerial intervention, Public inquiry, remembered for years	Achievement of Council priority
4	Major	Between £10m and £100m	Adverse national media interest or sustained local media interest	Council priority impaired or service priority not achieved
3	Moderate	Between £1m and £10m	One off local media interest	Impact contained within directorate or service priority impaired.
2	Minor	Between £100k and £500k	A number of complaints but no media interest	Little impact on service priorities but operations disrupted
1	Insignificant	Under £100k	Minor complaints	Operational objectives not met, no impact on service priorities.

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Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)

2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Direction of Travel
							Impact	Likelihood	Score			Impact	Likelihood	Score		
1	Investment Strategy not aligned with Pension Liability Profile	Financial	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Service Manager	Triennial Asset allocation Review after Valuation.	4	2	8	Develop cash flow Model with Actuary. Gain greater understanding of employer changes. Review asset allocation.	March 2017	4	1	4	Sep 2016	→
2	Investment Strategy not aligned with Pension Liability Profile	Financial	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	4	2	8	Develop cash flow Model with Actuary. Gain greater understanding of employer changes. Review asset allocation.	March 2017	4	1	4	Sep 2016	→
3	Investment Strategy not aligned with Pension Liability Profile	Financial	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	3	2	6	Develop Improved Management Reports to benchmark, and monitor opt outs, 50:50 requests etc.	March 2017	3	1	3	Sep 2016	→
4	Under performance of asset managers or asset classes	Financial	Loss of key staff and change of investment approach.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly review Meeting, and Diversification of asset allocations.	3	2	6			3	2	6		→
5	Variation to key financial assumptions in Valuation	Financial	Market Forces	Long Term - Pension deficit not closed.	Service Manager	Moderation of assumptions at point of valuation. Asset allocation to mirror risk. Sensitivity analysis included in Valuation report.	3	2	6			3	2	6		→
6	Loss of Funds	Financial	Poor Control	Long Term -	Finan	Review of	3	1	3	Administration		3	1	3		→

	through fraud or misappropriation.		Processes within Fund Managers and/or Custodian	Pension deficit not closed	cial Manager	Annual Internal Controls Report from each Fund Manager. Clear separation of duties.				audit report identified this & only action agreed is to implement separation of duties on pension payroll by September 2016						
7	Employer Default - LGPS	Financial	Market Forces, increased contribution rates, budget reductions.	Deficit Falls to be Met By Other Employers	Pension Services Manager	All new employers set up with ceding employing under-writing deficit, or bond put in place.	3	2	6	Review the old admitted bodies where there is no guarantor or bond in place. Meeting held with actuaries	March 2017	2	2	4	Sept 16	→
8	Inaccurate or out of date pension liability data – LGPS and FSPS	Financial & Administrative	Late or Incomplete Returns from Employers	Errors in Pension Liability Profile impacting on Risks 1 and 2 above.	Pension Services Manager	Monitoring of Monthly returns	4	3	12	Develop improved management reporting to highlight data issues at an earlier point in time. Develop escalation issues to ensure data issues are resolved at earliest point, including new charges, and improved training/guidance. Actions in progress	March 2017	3	1	3	Sept 16	→
9	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative	Late or Incomplete Returns from Employers	Late Payment of Pension Benefits.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	3	2	6	Develop improved management reporting to highlight data issues at an earlier point in time. Develop	March 2017	3	1	3	Sept 16	→

										escalation issues to ensure data issues are resolved at earliest point, including new charges, and improved training/guidance. In progress						
10	Insufficient resources to deliver responsibilities- – LGPS and FSPS	Administrative	Budget Reductions	Breach of Regulation	Service Manager	Annual Budget Review as part of Business Plan.	4	1	4	Currently recruiting new staff BUT this could be impacted by move from Unipart House – see separate report		4	1	4		↑
11	Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Governance	Poor Training Programme	Breach of Regulation	Service Manager	Training Review	4	2	8	Develop Needs Based Training Programme	December 2016	4	1	4	Sept 16	→
12	Insufficient Skills and Knowledge amongst – LGPS and FSPS Officers	Administrative	Poor Training Programme and/or high staff turnover	Breach of Regulation and Errors in Payments	Service Manager	Training Plan. Control checklists.	3	2	6	Training programme in place for new & current staff.	March 2017	3	1	3	Sept 16	→
13	Key System Failure – LGPS and FSPS	Administrative	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme	4	2	8			3	1	3		↓
14	Breach of Data Security – LGPS and FSPS	Administrative	Poor Controls	Breach of Regulation	Pension Services Manager	Security Controls, passwords etc.	3	1	3			3	1	3		→
15	Failure to Meet Government Requirements on Pooling	Governance	Inability to agree proposals with other administering	Direct Intervention by Secretary of State	Service Manager	Full engagement in Project Brunel	5	1	5			5	1	5		→

			authorities.													
16	Failure of Pooled Vehicle to meet local objectives	Financial	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Service Manager	Full engagement in Project Brunel	4	1	4			4	1	4		→
17	Significant change in liability profile or cash flow as a consequence of Structural Changes	Financial	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	In sufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Service Manager	Engagement with Unitary Authority project to ensure impacts fully understood	4	2	8	Work with Fund Actuary to Understand Potential Implications to feed into project and investigate potential changes to investment strategy that can be implemented within required timescales	Dec 2016	4	1	4	Sept 16	→

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> .

Employers, scheme members and the relevant unions were invited to be considered to become members of the Pension Board and the following were appointed.

Employer representatives

Cllr Bob Johnston (Oxfordshire County Council)
Cllr Roger Cox (Vale of White Horse District Council)
David Locke (Oxford Diocesan Schools Trust)

Scheme member representatives

Stephen Davis (Oxford City Council & Unite)
Alistair Bastin (Oxfordshire County Council & Unison)
Duncan Hall (Oxfordshire County Council & Unison)

Taking account of the relevant LGPS regulations and guidance, the Oxfordshire Pension Fund Committee decided to also appoint an independent non voting chair of the Pension Board. An independent chair of the Pension Board can not have any involvement (eg, through membership or employer links) with the local pension scheme they would be chairing but having good experience and knowledge of the LGPS would be advantageous and would assist the other Board members in their role. To comply with these requirements the Oxfordshire Pension Fund Committee invited the Head of Pension Fund at the Gloucestershire LGPS, Graham Burrow, to become chair of the Oxfordshire Pension Board. A reciprocal arrangement was put in place whereby by the Head of Pensions for Oxfordshire chairs the Gloucestershire Pension Board, allowing a sharing of experience and knowledge in developing the work of the Board.

Due to delays in finalising membership of the Board, the Board did not have its initial meeting until 18 November 2015. This meeting included a training slot covering the main policies and reports from the Pension Fund committee, and agreed a work programme for the remainder of the year.

The second meeting of the year was held on 15 April 2016. This meeting included reports on the pooling arrangements, the risk register cash flow management and employer management. The Board asked for regular reports to be presented on risk and employer management to future meetings.

Members of the Pension Board were also invited to attend joint training and update sessions with members of the Pension Committee. Board members attend two special meetings of the Pension Fund committee on 29 January 2016 and 1 July 2016 to agree the submissions to Government in respect of the pooling arrangements for the Oxfordshire Fund. Board Members also joined the Pension Fund Committee for a joint training session on the 2016 Valuation, run by the Fund's Actuary. Board Members have also attended nationally arranged training sessions appropriate to their responsibilities as Board members.

Board Members are also sent all agenda papers for the Pension Committee meetings, which they can attend as observers. The minutes of the Pension Board are reported to the next Pension Committee and a member of the Board can give a verbal update to the Committee on these minutes.

After attending the initial meeting of the Board in November 2015, Duncan Hall left work following a period of ill-health and has subsequently been unable to attend any further meetings of the Board, nor the joint sessions with the Pension Fund Committee nor the training sessions organised. As such and in accordance with paragraph 26 (d) of the constitution, Duncan's membership of the Board has been ended, and a replacement employee representative is currently being sought.

2015/16 was in many ways a year for the Pension Board to become established and find its feet. During 2016/17 it is looking to increase its role in supporting the Committee in its work on pooling, employer management and risk management. This will be achieved through detailed review of the papers available to the Pension Fund Committee as well as seeking additional information as the Board sees fit.