

Oxfordshire Pension Fund: Business Plan 2017/18

Service Manager - Pensions: Sean Collins

Service Definition:

- To administer the Local Government Pension Scheme on behalf of Oxfordshire County Council

Our Customers:

- Scheduled scheme employers e.g. County Council, District Councils, Oxford Brookes University, other Colleges and Academies
- Designating scheme employers e.g. Town & Parish Councils
- Community Admission Bodies e.g. charitable organisations with a community of interest
- Transferee Admission Bodies i.e. bodies where services have been transferred on contract from County or Districts
- Contributory Employees
- Pensioners and their Dependants
- Council Tax payers

Key Objectives:

- Administer pension benefits in accordance with the LGPS regulations
- Achieve a 100% funding level;
- Ensure there are sufficient liquid resources available to meet the Fund's liabilities and commitments; and
- Maintain as nearly a constant employer contribution rate as is possible.

Part A: Service Activities

Service Activity	Outputs	Outcomes
Investment Management		
Management of the Pension Fund Investments	<p>The Fund is invested in assets in accordance with the Committee's wishes.</p> <p>The Fund's assets are kept securely.</p> <p>Quarterly reports to the Pension Fund Committee.</p>	Pension Fund deficit is minimised by securing favourable returns on investments (compared to benchmarks).
Management of the Pension Fund Accounts	Completion of the Annual Report and Accounts.	No adverse comments from the Fund's auditors.
Management of the Pension Fund Cash	<p>Cash management strategy and outturn reports.</p> <p>Cash Managed in accordance with the strategy.</p>	The Pension Fund cash is managed securely and effectively.
Scheme Administration		
Management of the Pension Fund Administration	<p>The administration procedures are robust and in accordance with regulations and service standards</p> <p>Changes to regulatory framework of the scheme</p>	<p>The workload is completed & checked in accordance with regulations and procedures. Work is completed within specified time scales</p> <p>No adverse comments from the Fund's auditors</p> <p>Implementation of actions arising from regulation changes</p>

Part B – Service Priorities

Task	Actions	Measures of Success
<p>Contribute to the establishment of the Brunel Pension Partnership and the plan to transition assets from 1 April 2018.</p>	<p>Be a party to::</p> <ul style="list-style-type: none"> • The development of all legal documents • FCA application • Recruitment of key directors/staff • Recruitment of key 3rd parties including Fund Administrator • The Development of all key company policies <p>Review Committee's constitution and Scheme of Delegation to ensure fit for purpose under new operating model</p>	<p>Brunel Pension Partnership Limited established and ready to transition assets from 1 April 2018</p>
<p>Develop a more sophisticated Cash Flow Model to identify future investment requirements of the fund over the medium term.</p>	<p>Work with the large scheme employers to understand their key strategic direction in so far as it relates to their LGPS workforce.</p> <p>Work with the Fund Actuary to develop a technical model which allows liability, contribution and investment income forecasts to be modelled for the potential scenarios discussed with the scheme employers.</p> <p>Develop an understanding of the alternative investment classes that can deliver investment returns in line with the projected liability profile.</p>	<p>Cash flows managed to ensure all pension liabilities are met as they fall due, with minimal impact on employer contribution rates.</p>
<p>Develop more sophisticated management arrangements to ensure all Pension Fund data is kept in accordance with the requirements of the Pension Fund Regulator</p>	<p>Undertake full training to fully understand the requirements of the Pension Regulator.</p> <p>Review the current data collection arrangements, including benchmarking practices across other Funds, and looking at options to automate more of the process</p>	<p>No issues raised by the Pension Regulator.</p> <p>Annual Benefit Statements, Deferred Benefit Statements etc issued in accordance with Statutory Timescales</p> <p>Reduced levels of queries and complaints from Scheme</p>

	<p>through i-connect.</p> <p>Develop meaningful management reports on data quality, and sampling checks to test the data is in accordance with the Regulators Standards.</p> <p>Work with scheme employers to ensure all requirements are understood and data submitted accurately and timely, and all omissions are promptly escalated.</p>	<p>Members.</p>
<p>Develop a more robust approach to monitoring Fund Manager performance in respect of delivery against the Fund's governance policies.</p>	<p>Agree the Fund's approach to integrating social, environmental and corporate governance issues into all investment decisions as part of the new Investment Strategy Statement (ISS).</p> <p>Agree a Stewardship Policy as part of the ISS.</p> <p>Determine measures which help determine compliance with the above policies, and set benchmarks against which to judge Fund Manager performance.</p> <p>Review Fund Manager performance against benchmarks and follow up all exceptions as part of the Committee's regular monitoring of Fund Managers</p>	<p>Investment Strategy Statement published.</p> <p>Benchmark data published.</p> <p>Clear audit trail of fund management review process published.</p>
<p>Improve Scheme Member Communications</p>	<p>Launch Member Self Service to all scheme members who are happy to sign up.</p> <p>Monitor take up of MSS, as well as activity in terms of numbers accessing newsletters etc, and revise service as appropriate.</p>	<p>Reduction in the number of simple tasks being undertaken by the team, in response to paper requests.</p>

Part C. Budget:

	2017/18 Budget	2016/17 Budget
	£'000	£'000
Administrative Expenses		
Administrative Employee Costs	1,240	1,043
Support Services including ICT	447	392
Printing and Stationery	51	51
Advisory and Consultancy Fees	30	45
Other	29	44
	1,797	1,575
Investment Management Expenses		
Management Fees	7,436	6,540
Custody Fees	75	70
Brunel Development Costs	75	20
Brunel Working/Regulatory Capital	200	0
Brunel Contract Costs	330	0
	8,116	6,630
Oversight and Governance		
Investment Employee Costs	240	224
Support Services Including ICT	40	40
Actuarial Fees	40	75
External Audit Fees	24	24
Internal Audit Fees	14	14
Advisory and Consultancy Fees	64	93
Committee and Board Costs	48	48
	470	518
Total Pension Fund Budget	10,383	8,723