

Oxfordshire Pension Fund

Governance Policy Statement

Introduction

1. 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.
2. 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

3. 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.
4. 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

5. Under the terms of the County Council's constitution, the terms of reference for the Pension Fund Committee are:
 - 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).
 - The functions under the Firefighter's Pension Schemes specified in Paragraph 2 in Section H of Schedule 1 to the Functions Regulations.

6. 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

7. The Committee's members shall be appointed by full Council and shall comprise
- 5 County Councillors
 - 1 Representative of the City and District Councils of Oxfordshire
 - 2 Academy sector representatives
 - 1 Oxford Brookes University representative
 - 1 Pension Scheme Member representative.
8. The 5 County Councillor members of the Committee shall have full voting rights. The other 5 representatives are all non-voting members of the Committee.
9. No person can substitute for an appointed member of the Committee unless they have completed the necessary training as set out in the Skills and Knowledge section below.
10. The County Councillors will be appointed to reflect the political composition of the County Council. Councillors will normally serve a 4-year term in line with the County Council elections, subject to any changes agreed by the full Council.
11. The non-voting representatives will also normally serve a minimum of a 4-year term, to be reviewed following the County Council elections and the appointment of the new voting members. The City and District

Council representatives will be chosen by Leaders of the respective Councils. The representatives of the Academy sector will be selected by the proprietor bodies of the Oxfordshire academies. The Oxford Brookes University representative will be selected by the Governing Body of the University. The scheme member representative will be selected by the local branch of Unison.

12. In 2021 changes were made to the constitution of the Pension Fund Committee as a result of an Independent Review of the Pension Fund carried out by Hymans Robertson. The main driver for the recommended changes were to ensure the representation of the key Scheme Employers on the Fund. The changes were consistent with best practice guidance from the LGPS Scheme Advisory Board. The changes resulted in a reduction of the membership of the Committee by two and changes to the representation of Scheme Employers as outlined above. However, only the County Council representatives have voting rights to protect the Administering Authority's ultimate legal responsibility for the administration of the Fund through the County Council.

Knowledge & Skills

13. All members appointed to the Committee must 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. In summary all Committee Members would be required to
 - a. attend:
 - In their 1st year – an induction session on the Oxfordshire Pension Funds Policies, and either
 - ◆ The 3-day LGA Fundamentals Course or
 - ◆ The 5 Core and 4 DB on-line modules of the Pension Regulators Trustee Toolkit
 - In each subsequent year – all pre-Committee training, and 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.
14. 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.

15. The Fund will produce an Annual Report which includes details of Committee and Board member training records and attendance.

Operational Procedures

16. 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.
17. 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.
18. Each meeting of the Committee will be attended by the appointed independent investment 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.
19. Any member of the public has the right to seek to address the Committee by making a formal request in advance of the meeting.
20. 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.
21. 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).
22. 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 and is currently the Deputy Chairman of the Committee. 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.

23. 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

24. 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.
25. The Board has been established with 3 employer representatives, 3 scheme member representatives and a non-voting independent chairman.
26. 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.

Informal Governance Arrangements

27. 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.
28. 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.
29. The Fund have established a new Governance Team with a Governance & Communications Manager and an Officer. The team is tasked with supporting the Committee and Board on all governance matters, including:
- The General Code of Practice;
 - The Risk Register;
 - The Breaches Register;
 - The Training Plan.

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