OXFORDSHIRE PENSION FUND
REPORT AND ACCOUNTS 2023/24

Registered Number: PS049/20

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FOREWORD TO THE 2023/24 PENSION FUND REPORT AND ACCOUNTS BY THE EXECUTIVE DIRECTOR FOR RESOURCES AND SECTION 151 OFFICER

Introduction

Much like the previous year, 2023/24 was a year of steady development whilst waiting for the publication of a number of expected Government proposals. The expected consultations on the future pooling arrangements, investments to support the levelling up agenda, the introduction of improved climate change reporting in line with the requirements of the Taskforce for Climate-related Financial Disclosures (TCFD), and good governance all again failed to see the light of day during 2023/24. We wait with interest whether the change in national Government will lead to a change in the pace of development within the Local Government Pension Scheme (LGPS).

Progress was made on a number of fronts during the last year. We continued to strengthen the governance arrangements of the Fund as we developed the new Governance and Communications Team, and they began the work to ensure compliance with the new General Code of Practice issued by the Pension Fund Regulator. The Investment Team continued to develop our work on responsible investment, with key achievements being our first successful application to the Financial Reporting Council to be recognised as a signatory under the UK Stewardship Code, and the publication of our first Responsible Investment Policy. Within the Administration Service, the key challenge was dealing with all additional work associated with implementing the McCloud remedy. Significant effort was required both within the Administration Team but also across all scheme employers, with a lot more effort required over the forthcoming year.

Key Outcomes during 2023/24

The year began with the announcement of our successful application under the Stewardship Code. This was our first application, and whilst there were a number of areas identified for future improvements, we were delighted with the successful outcome. To be recognised as a signatory to the Code confirms that we have evidenced our commitment to engaging with our investee companies and using our voice and votes to encourage companies to act in a way that delivers long-term sustainable solutions, across the full range of environmental, social and governance issues. We have recently received confirmation from the Financial Reporting Council that they have renewed our position as signatories to the Code for a second year.

Work on the new Responsible Investment Policy began with a survey of scheme members which saw an unprecedented response, with over 4,000 scheme members completing the survey and providing their views on the priorities they wished to see the Fund focus on. The Policy was finalised following a workshop with members of the Committee and Board led by an independent facilitator, and a final consultation exercise which included all stakeholders.

A key delivery against the Climate Change Policy which now forms a key element of the Responsible investment Policy, was the investment alongside 5 other Funds from the Brunel Partnership in Wessex Gardens, a renewable infrastructure portfolio, with investments focussed within the Brunel region.

The Fund

The Fund again saw turnover amongst the scheme employers, largely confined to the admitted bodies, with 8 new admitted bodies, and the cessation of 3 others. This largely reflects movements of schools, either new academies or switches between Trusts, and the results of outsourcing arrangements. There were 190 scheme employers as at 31 March 2024. The Fund had a total of 73,163 members as at 31 March 2024, an increase of 2.7% since last year.

In terms of cash-flow, the Fund saw a significant increase in contributions following the results of the 2022 Valuation, which increased net positive cashflow from dealings with scheme members from £15.1m last year to £26.3m. This will be reviewed as part of the work on the 2025 Valuation, with the option to switch to income classes in a number of the existing investment portfolios (so investment income is paid back to the Fund rather than being re-investing as is the current practice).

Investment Performance

The Fund value increased significantly over the course of the 2023/24 financial year ending the year at £3.527bn (£3.2billion as at 31 March 2023). Total investment return over the year was 11.4%. Whilst this was 1% below the benchmark return, this was well in excess of the rates assumed by the Fund Actuary when setting contribution rates, leading to further improvements in the funding level for the Fund. Latest estimates are the Fund is 147% funded in respect of the pension benefits earned to date, although it should be noted that two thirds of the benefits to be paid out over the next 50 years have not yet been earned or funded.

The Future

The new Labour Government have already made it clear that they share the desire of the previous Government to encourage Pension Funds to invest in the UK economy. They have already moved to establish the National Wealth Fund as the vehicle through which these investments should be made. The extent to which the Government will encourage/require LGPS Funds to invest in the National Wealth Fund, and how this interacts with the Fund's fiduciary duty remains to be seen.

Linked to this discussion, is the question of how many LGPS Funds/Pools should there be in the future. Again, this question was first raised by the previous Conservative Government and appears to have been taken forward by the new Government. Whether the aim is to deliver further economies of scale, and/or improve the professionalism of decision makers (with the expectation that this in turn would lead to greater investments in line with Government policy) is also unclear.

For the Oxfordshire Fund, these future challenges will be taken on with a new strategic leadership team. The Committee changed both its Chair and Vice Chair at it's June meeting, and we have also seen changes on the Officer front, with the retirement of the Head of Pensions and the Pension Services Administration Manager, both after serving the Fund for over 20 years.

The changes in leadership are tied into the first priority area in the 2024/25 Business Plan for the Pension Fund, with the inclusion of the development of a succession plan and a new workforce strategy as part of the further developments of the Fund's governance arrangements. Other key deliverables under this priority are full compliance with the new General Code of Practice issued by the Pension Regulator, improved skills and knowledge scores for members of the Committee and Pension Board, and improved reporting to evidence compliance with Fund policies and that these policies are effective in delivering the expected outcomes.

The second priority area for 2024/25 is to improve the operational effectiveness of the Administration function, as measured by a reduction in complaints and regulatory breaches, and improvements in customer satisfaction and data quality. Delivery against the requirements of the McCloud remedy is another key aspect of this priority. Part of the delivery of this priority will include exploring the benefits of Artificial Intelligence and seeking to automate as much of the administration processes as possible.

The third and final priority area brings together work on the 2025 Valuation, implementation of Government Policy and the Funds own Responsible Investment Policy, and the modelling of the Fund's cashflow, to develop a revised Investment Strategy Statement. A balance will need to be found between meeting the various needs of scheme employers in respect of level and stability of contribution rates, the wishes of Government and the need to ensure sufficient liquidity to meet any cashflow shortfalls when paying pensions.

There should be plenty to do for all involved in the governance of the Pension Fund.

Lorna Baxter
Executive Director of Resources & Section 151 Officer July 2024

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 2023/24 financial year, covering the work from the July 2023 Board meeting to their meeting on 3 May 2024.

Board Membership

The Board started the year with a vacancy for one scheme employer representative following the resignation of Elizabeth Griffiths who had taken on a new employment outside Oxfordshire and was therefore no longer eligible to serve on the Board as an Oxfordshire Scheme Employer representative. Following the July meeting, Marcia Slater also resigned her position on the Board in light of her impending retirement, which meant she too was no longer eligible to serve. The Board thanks both Elizabeth and Marcia for their contributions.

The two employer representative vacancies were advertised via the employer's newsletter and on the Fund Website. This attracted a very limited response, and whilst Susan Blunsden, the HR Manager at Cherwell District Council was appointed to serve on the Board, the other vacancy has remained empty for the rest of the year. Repeat advertisements have been made but no interest attracted. Attendance at Board meetings was as follows:

	Attended 7 July 2023 Meeting	Attended 20 October 2023 Meeting	Attended 26 January 2024 Meeting	Attended 3 May 2024 Meeting
Scheme Employer Representatives				
Angela Priestley-Gibbins (The Thera Trust)	Yes	Yes	Yes	Yes
Marcia Slater (Vale of White Horse/South Oxfordshire District Councils)	Yes	N/A	N/A	N/A
Susan Blunsden (Cherwell District Council)	N/A	Yes	Yes	Yes
Vacant Post	No	No	No	No
Scheme Member Representatives				
Stephen Davis (Oxford Direct Services & Unite)	Yes	Yes	Yes	Yes
Alistair Bastin (Oxfordshire County Council & Unison)	Yes	Yes	Yes	No

Liz Hayden (Retired Member)	No	Yes	No	Yes

All meetings were chaired by the Independent Chairman, Matthew Trebilcock, the Head of Pensions from the Gloucestershire Pension Fund. Cllr Bob Johnston attended all meetings of the Board in his capacity as Chairman of the Pension Fund Committee as part of the arrangements agreed within the Governance Review to improve communications between the Committee and Board.

Angela Priestley-Gibbins, Alistair Bastin and Stephen Davis all regularly attended the Pension Fund Committee as observers, with one of them 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.

With the agreement of the Independent Chairman and members of the Board, all meetings of the Board during 2023/24 were held virtually. As the Board was set up under separate legal provision from the other County Council Committees, there is no legal requirement for meetings to be held in person.

Members of the Board also attended the Planning Workshop held on 15 January 2024 which discussed the 2024/25 Business Plan, and the workshop held on 26 January 2024 to develop the draft Responsible Investment Policy.

The Board have also been represented throughout the year on the Climate Change Working Group by Alistair Bastin. Alistair has also served as a member of the Brunel Oversight Board as one of two representatives of all scheme members on that Board following an election process across the ten Funds within the Brunel Pension Partnership.

Alistair Bastin also sat as a member of the technical interview panel as part of the selection process for the new Head of Pensions position. The Panel provided advice to the Executive Director of Resources & Section 151 Officer on the LGPS knowledge, skills and experience evidenced by the candidates, who was responsible for making the final decision on the appointment.

Work Programme

The work programme for the Board continued as a mix of a regular review of a set of standard reports as presented to the previous meeting of the Pension Fund Committee, ad-hoc review of reports to the Pension Fund Committee and new items brought direct by the Fund's officers or made at the request of Board members.

The standard reports reviewed at each of the Board meetings in that last year were:

- Review of the Annual Business Plan and Budget
- Governance and Communications Report
- Risk Register
- Administration Report

The main issues identified by the Board in respect of these reports were in respect of the skills, knowledge and experience of those charged with the governance of the Fund. At the start of the year, this was focussed on the turnover of membership on the Board itself. During the year, the Board also expressed concern following the change in Independent Investment Adviser to the Fund and the retirements of the Head of Pensions and the Pension Services Manager.

The Board also raised specific concerns around the resources available to manage the McCloud project and kept a regular review of the status of the project throughout the year.

A major element of the work of the Board during the year focussed on the new General Code of Practice, published by the Pension Regulator early in 2024. The Board reviewed the initial assessment of the Fund's position against the draft Code, as well as the Action Plan to address the identified gaps against the final version of the Code.

Other aspects of governance developed during the year with the support of the new Governance and Communications Team were the development of a register of the Fund's statutory policies and a timetable for their regular review, and the review of the Breaches Policy and the quarterly breaches log. In respect of the latter, the Board noted that improvements in process and reporting initially led to the reporting of an increased number of breaches. This did not reflect a decline in performance, and indeed the increased transparency should lead to earlier identification and resolution of any issues.

During the year, the Board reviewed the following Committee reports:

- October 2023 – the Annual Report and Accounts for the Pension Fund, and the Fund's first application against the Stewardship Code.
- May 2024 – the Board reviewed the annual assessment of the Fund's cyber security arrangements, a report on workforce planning, and the Fund's first Responsible Investment Policy. The Board welcomed the approach to workforce planning including the development of improved succession arrangements through the employment of a training officer, and the development of technology to automate many manual processes and improve the service to scheme members. The Board expressed some reservations about the increase in agile working. Whilst accepting the benefits, including widening the field from which new staff could be recruited, they expressed some concerns about the support for new staff where delivered remotely and the potential loss of team unity.

The new items considered by the Board which had not previously been presented to the Pension Fund Committee were:

- The Boards own Annual Report for the 2022/23 financial year considered at the July 2023 meeting.
- Two reports on investment management fees and portfolio performance. This included the standard annual report presented to the Board at its meeting in July 2023, and an additional report which looked to identify overall savings in investment management fees since the introduction of pooling, which was presented to the meeting in May 2024. The Board again noted the limitations of the reports given the lack of long-term data resulting from the significant transition in investments as a consequence of the Government's pooling agenda.
- A report on Pension Scams presented to the October meeting of the Board following concerns by Board members about the risks to scheme members and the Fund itself. The Board accepted the arrangements put in place by Pension Services mitigated these risks as far as possible.
- A further report on scheme member engagement to the January meeting, which followed up on the work led by the Board in 2022/23. The Board focussed on the process for obtaining the views of both scheme members and employers on service performance. The Board also supported the responsible investment survey which got over 4,000 responses from scheme members, significantly above previous consultation exercises. The Board noted that this consultation was undertaken through email to all members for whom we held an email address on their record, and that we continued to seek to collect email addresses and mobile phone numbers for all members to further improve our future communications.

Future Work Programme

A key work area for the Board during 2024/25 will be the action plan for addressing all areas of non-compliance with the new General Code of Practice issued by the Pension Regulator. This is consistent with one of the primary objectives of the Board to ensure that the Pension Fund Committee is meeting its regulatory duties and ensuring all material breaches are reported to the Pension Regulator.

The Board will also maintain its focus on the standard administration report, review of the annual business plan, governance and communications report and the risk register to ensure that the Committee is able to meet its statutory duties, and performance is delivered to the appropriate standards.

The Board will also maintain its focus on the future governance arrangements for the Fund and in particular the impact of the changes to the leadership of the Fund both on the Committee and at Officer level. Key to this will be reviewing the current training arrangements and the effectiveness of these in ensuring appropriate levels of skills and knowledge on the Committee and the Board itself. Reviewing the development of the Workforce Strategy will also form a key part of the Board's work in this area, including the development of self-service tools for scheme members, the automation of certain process, and a review of the level of checking undertaken within the administration teams.

Other areas of work for the Board in 2024/25 will be to oversight the preparation work undertaken by the Committee for the 2025 Valuation, and the implementation of the new Responsible Investment Policy.

Board Members Training 2023/24 **Appendix**

Local Pension Board Member Training 2023/24	
Alistair Bastin	PLSA Local Authority Conference
	LPB Training - Autumn Series 2023
	LGA LGPS Governance Conference 2024
	LAPFF Annual Conference
	CIPFA Annual Pension Board Conference
	UNISON National LGPS Seminar
	LGA Cost Transparency Workshop
	Pension Regulator's New General Code of Practice
Angela Priestley-Gibbins	CIPFA Annual Pension Board Conference
	LGA LGPS Governance Conference 2024
	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
	LPB Training - Autumn Series 2023
	Brunel Investor Day (PM session)
	Employer Forum
	Hymans Robertson - Webinars
	CIPFA Webinar
	PLSA Local Authority Forum

Liz Hayden	LGA Fundamentals training - Day 1 online
	LGA Fundamentals training - Day 2 London
	LGA Fundamentals training - Day 3 London
	LOLA Module 1 - Committee Role and Pensions Legislation
	LOLA Module 2 - Pensions Governance
	LOLA Module 3 - Pensions Administration
	LOLA Module 4 - Pensions Accounting and Audit Standards
	LOLA Module 5 - Procurement and Relationship Management
	LOLA Module 6 - Investment Performance and Risk Management
	LOLA Module 7 - Financial Markets and Product Knowledge
	LOLA Module 8 - Actuarial methods, Standards and Practices
Marcia Slater	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
Stephen Davis	PLSA Local Authority Conference
Susan Blunsden	LGA Fundamentals training - Day 1 online
	LGA Fundamentals training - Day 2 online
	LGA Fundamentals training - Day 3 online
	LOLA Module 1 - Committee Role and Pensions Legislation
	LOLA Module 8 - Actuarial methods, Standards and Practices

Statement of Responsibilities for the Pension Fund

The County Council's Responsibilities

The County Council is required to:

- make arrangements for the proper administration of the financial affairs of the Pension Fund and to ensure that one of its officers has the responsibility for the administration of those affairs. For the County Council, that officer is the Executive Director for Resources and Section 151 Officer;

- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Pension Fund Committee has examined the Pension Fund accounts and authorised the Chairman to approve them on its behalf.

The Responsibilities of the Executive Director for Resources and Section 151 Officer

The Chief Finance Officer is responsible for the preparation of the Pension Fund's accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ('the Code of Practice').

In preparing this Statement of Accounts, the Executive Director for Resources and Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Executive Director for Resources and Section 151 Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

LORNA BAXTER
Executive Director for Resources and Section 151 Officer

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF OXFORDSHIRE PENSION FUND ON THE PENSION FUND FINANCIAL STATEMENTS

SCHEME MANAGEMENT & ADVISORS

Administering Authority	Oxfordshire County Council County Hall Oxford OX1 1ND
Administrator	Executive Director Resources & Section 151 Officer
Pension Fund Committee County Council Members 2023/24 Membership	Cllr Bob Johnston (Chairman) Cllr Kevin Bulmer(Deputy Chairman) Cllr Nick Field-Johnson Cllr Imade Edosomwan Cllr Ian Middleton Cllr Michael O'Connor Cllr John Howson
Representatives of District Councils	Cllr Jo Robb (SODC)
Representatives of Scheme Employers	Alistair Fitt (Oxford Brookes University)
Scheme Member Representative	Steve Moran
Independent Investment Adviser	John Arthur Apex Investment Advisers
Fund Managers	Adams Street Partners Brunel Pension Partnership Legal & General Investment Management Partners Group Insight Investment Management
Internally Managed Funds	Listed Private Equity
Actuary	Hymans Robertson
Auditor	Ernst & Young LLP
AVC Provider	Legal and General
Custodian	State Street Bank and Trust Company
Legal Advisers	Oxfordshire County Council Legal Services
Bankers	Lloyds Bank Plc

HOW THE SCHEME OPERATES

♦ Legal Framework

The Local Government Pension Scheme is a statutory, funded defined benefit pension scheme. The operation of the Oxfordshire County Council Pension Fund is principally governed by the Local Government Pension Scheme Regulations 2013 [as amended] (effective from April 2014).[1] The scheme covers eligible employees and employees of other bodies eligible to be employers in the Scheme. A list of all those bodies with employees currently participating in the Scheme is shown on pages 15 to 19.

This career average revalued earnings (CARE), defined benefit scheme provides benefits related to actual salary for its members and the benefits are unaffected by the investment return achieved on the Scheme's assets. 'CARE' benefits build up each year with annual revaluation while pensions paid to retired employees, their dependents, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. Since 2011 the amount is based the Consumer Price Index (CPI).

All active LGPS members at 31 March 2014 were transferred to the new LGPS for 1 April 2014. Their final salary benefits linked to the final pay definitions of the previous regulations continue while accrual of membership stopped at 31 March 2014.
Pension Investment and Administration is governed by Her Majesty's Customs and Revenue Office (HMRC) setting out personal maximum values of benefit and reporting structures for schemes.

♦ Contributions

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The surplus of contributions and investment income over benefits being paid is invested.

The contribution from employees is prescribed by statute at rates between 5.5% and 12.5% of pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The contribution rate reflects an employer experience, the fund deficit or surplus and is the rate at which employers need to contribute to achieve a 100% funding level projected over 22 years.

Contribution rates for 2023 - 2024 were based on the completed valuation of the Scheme's financial position as at 31 March 2022 and are shown on pages 15 to 19.

♦ Benefits

The benefits payable under the Scheme are laid down by the 2013 Regulations. Pension payments are guaranteed and any shortfall is met through the Pension Fund linked to employer contribution rates set by the fund valuation. The Scheme is a 'defined benefit scheme and provides a pension based on 1/49th of pensionable pay each year of membership with annual revaluation, adjusted in line with CPI. A Summary of Benefits is shown on pages 104 to 106.

<u>Overriding legislation</u>

The LGPS exists within rules laid down by HMRC. These provide time limits for benefit payments and also on the member limits to the amount of pension built up within a year and within a lifetime. At retirement a member has to declare any other benefits, not just from the LGPS but all pension provision, to ensure all benefits are within this limit. A tax charge is imposed if this limit is exceeded or if the member fails to make the declaration.

[1] From 01 April 2014 new LGPS have introduced a new scheme. This is still a defined benefit scheme which is now based on Career Average Revalued Earnings (CARE)

Members can convert a portion of their annual pension to provide a larger tax free lump sum at retirement.

The limits an individual can build up in a year and a lifetime are set by HMRC with additional reporting timetables for fund administration.

♦ Adjudication of Disagreements Procedure

The first stage of a dispute is, generally, looked at by the claimants' employer. The second stage referral is to the County Council and the Appointed Person. For information please contact the Pension Services Manager.

PARTICIPATING EMPLOYERS

Scheduled Bodies	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24	Scheduled Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
Abingdon & Witney College	20.0%	-	Chipping Norton Town Council	21.7%	-
Abingdon Learning Trust	21.2%	-	Cholsey Primary School (OPEN)	19.3%	-
Abingdon Town Council	21.7%	-	Cumnor Parish Council	21.7%	-
AcerTrust MAT	20.3%	-	Didcot Town Council	21.7%	-
Activate Learning Education Trust	20.3%	-	Drayton Parish Council	21.7%	-
Activate Learning	19.8%	-	Europa School	19.3%	-
Adderbury Parish Council	21.7%	-	Eynsham Parish Council	21.7%	-
Anthem School Trust	19.1%	-	Eynsham Partnership	20.0%	-
Aspirations Academy Trust	21.8%	-	Faringdon Academy	21.1%	-
Banbury Town Council	21.7%	-	Faringdon Town Council	21.7%	-
Benson Parish Council	21.7%	-	GEMS Didcot Primary Academy	19.3%	-
Berinsfield Parish Council	21.7%	-	Gillots Academy	19.3%	-
Bicester Town Council	21.7%	-	GLF- William Morris	18.1%	-
Blackbird Leys Parish Council	21.7%	-	Goring Parish Council	21.7%	-
Bladon Parish Council	21.7%	-	Gosford & Water Eaton Parish Council	21.7%	-
Bloxham Parish Council	21.7%	-	Henley College	20.0%	-
Burford School	22.4%	-	Henley on Thames Town Council	21.7%	-
Carterton Town Council	21.7%	-	Heyford Park Parish Council	21.7%	-
Chadlington Parish Council	21.7%	-	Kennington Parish Council	21.7%	-
Chalgrove Parish Council	21.7%	-	Kidlington Parish Council	21.7%	-
Cherwell District Council	15.9%	5,780,000	Kingston Bagpuize with Southmoor		-
Chinnor Parish Council	21.7%	-	Parish Council	21.7%	-

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Scheduled Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
Ladygrove Park Primary School	19.7%	-
Langtree Academy	19.3%	-
Leafield Parish Council	21.7%	-
Littlemore Parish Council	21.7%	-
Long Hanborough Parish Council	21.7%	-
MacIntyre Academy Trust	16.0%	-
Maiden Erlegh Trust	19.3%	-
Marcham Parish Council	21.7%	-
Milton Parish Council	21.7%	-
Nettlebed Parish Council	21.7%	-
North Hinksey Parish Council	21.7%	-
Old Marston Parish Council	21.7%	-
Oxford Brookes University	19.2%	-
Oxford City Council	13.4%	5,000,000
Oxford Diocesan Trust	20.2%	-
Oxford Direct Services	20.6%	-
Oxfordshire County Council	19.9%	-
Propeller Academy Trust	19.4%	-
Radcliffe Academy Trust	18.9%	-
Radley Parish Council	21.7%	-
Ramsden Parish Council	21.7%	-
Ridgeway Education Trust	24.8%	-
Risinghurst & Sandhills Parish Council	21.7%	-

Scheduled Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
River Learning Trust	19.2%	-
Rotherfield Greys Parish Council	-	-
Rotherfield Peppard Parish Council	-	-
Sandford St Martin Parish Council	21.7%	-
South Oxfordshire District Council	17.8%	411,000
Spelsbury Parish Council	21.7%	-
St Johns Academy Trust	22.1%	-
Stonesfield Parish Council	21.7%	-
Sutton Courtenay Parish Council	21.7%	-
Thame Partnership Academy Trust	19.8%	-
Thame Town Council	21.7%	-
The Gallery Trust	19.4%	-
The Merchant Taylors Oxfordshire Academy School Trust	19.3%	-
The Mill Academy Trust	21.2%	-
The Pope Francis MAC	20.5%	-
United Learning Trust	16.7%	-
Vale Academy Trust	20.4%	-
Vale of the White Horse District Council	17.8%	767,000
Wallingford Town Council	21.7%	-
Warborough Parish Council	21.7%	-
Warriner MAT	21.6%	-
Watlington Parish Council	21.7%	-

List of Participating Employers continues on next page...

PARTICIPATING EMPLOYERS

Scheduled Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
West Oxfordshire District Council	17.6%	746,000
Wheatley Parish Council		1,200
Willowcroft Academy Trust	17.5%	-
Witney Town Council	21.7%	-
Woodstock Town Council	21.7%	-
Wootton Parish Council	21.7%	-
Admitted Bodies		
A2 Dominion	17.2%	-
Alliance in Partnership Limited – The Cooper School (Bicester Learning Academy) catering	21.2%	-
Aspens Services Limited – Pope Francis Multi Academy Company (St Gregory the Great Secondary School and St Joseph’s Primary School ,Thame, (catering contract)	20.5%	-
Atlas Cleaning Limited - EPAT	20.0%	-
Atlas Cleaning Limited – Vale Academy Trust (King Alfred’s)	20.4%	-
Banbury Museum Trust	17.2%	-
Barnardos	5.8%	-
Brayborne Facilities Services Ltd - Abingdon Learning Trust (John Mason School)	21.2%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
Calber Facilities Management Limited – Caldecott Primary School, Abingdon (cleaning contract)	19.9%	-
Capita	17.8%	-
Cara Services Limited	21.8%	-
Caterlink Limited – Acer Trust (Botley School, Oxford) (catering contract)	20.3%	-
Caterlink – Faringdon Learning Trust	9.6%	-
Caterlink Ltd – Oxford Diocesan Schools Trust (St Frideswide CofE Primary School) (catering contract)	20.2%	-
Charter Community Housing	37.3%	131,000
Chartwells – GLF (Aureus Secondary School, Didcot) catering contract	-	-
Clarendon Limited – Clanfield Church of England Primary School (cleaning contract)	19.9%	-
Cleantec Services Ltd – Pope Francis MAC (Blessed George Napier School) (cleaning contract)	20.5%	-
Cleantec Services Limited – River Learning Trust (cleaning contract)	19.2%	-
Community Integrated Care (OCC care contract)	19.9%	-
Culinera Ltd – River Learning Trust (The Swan School) (catering contract)	19.2%	-
Dolce Limited at Eynsham Partnership Academy (Eynsham Primary School) (catering contract)	20.0%	-

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Admitted Bodies (cont)	Contribution Rate Payroll % 2023/24	Additional Monetary Amount 2023/24
Dolce Limited – River Learning Trust (Bayards Hill School, Oxford) (catering contract)	19.2%	-
Dolce Limited – River Learning Trust (Lots 6 and 7) (catering contract)	19.2%	-
Dolce Limited – River Learning Trust (The Marlborough School, Woodstock) (catering contract)	19.2%	-
Edwards & Ward – River Learning Trust Lot 1 (The Oxford Academy and Wheatley Park School) (catering contract)	19.2%	-
Edwards & Ward – River Learning Trust Lot 2 (Chipping Norton School) (catering contract)	19.2%	-
Edwards and Ward (St Andrews C.E. Primary School)	19.9%	-
Edwards & Ward - Vale Academy Trust	20.4%	-
Edwards and Ward – Vale Academy Trust (Larkmead School) (catering contract)	20.4%	-
Edwards & Ward Ltd – West Oxford Community Primary School (OCC) (catering contract)	19.9%	-
Fresh Start Ltd (Bloxham School contract)	19.9%	-
Fusion Lifestyle	20.6%	-
Greenwich Leisure Limited	23.1%	-
Groundwork South	19.9%	-
HF Trust Limited (Lot 8)	0.0%	-
Hill End Outdoor Education Centre	13.5%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2023/24	Additional Monetary Amount 2023/24
KGB Cleaning South West Ltd - Activate Learning Education Trust (Bicester Tech & School)	20.3%	-
Kidz Zone Club Limited – Langford Village Community Primary School (OCC) (before and after school clubs contract)	19.9%	-
Maid Marions Ltd– Faringdon Academy of Schools	18.8%	-
Maid Marions Ltd (02) at Warriner MAT (Warriner School)	21.6%	-
M Group Services	19.9%	-
Order of St John's Care Trust (Oxford)	19.9%	-
Oxford Archaelogical Unit	17.2%	-
Oxford Community Work Agency	17.2%	-
Oxfordshire LEP	19.9%	-
Oxfordshire South & Vale Citizens Advice Bureau	0.0%	710
Publica	17.6%	-
Rapid Clean - Stockham Primary School	19.9%	-
Rapid Commercial Cleaning Ltd	19.9%	-
Regency Cleaning Services Limited – Meadowbrook College (Radcliffe Academy Trust) cleaning contract	0.0%	-
Saba Park Services	26.5%	-
School Lunch Company (Bishop Loveday CE Primary School)	21.6%	-
School Lunch Company – Bure Park Primary School (catering contract)	19.9%	-

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Admitted Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
School Lunch Company (North Hinksey CE Primary School)	20.2%	-
School Lunch Company (Orchard Fields)	19.9%	-
School Lunch Company (The Batt CE Primary School, Witney)	20.2%	-
School Lunch Company – The Blake CofE Primary School, Cogges	20.2%	-
School Lunch Company (St Kenelm's C of E Primary School	19.9%	-
School Lunch Company (St Mary's CofE Infant School, Witney (Cleaning) ODST	20.2%	-
School Lunch Company (St Michael's CofE Primary School, Oxford)	19.9%	-
School Lunch Company (Windmill Primary School, Oxford) catering contract	19.9%	-
School Lunch Company (Wroxton CofE Primary School)-ODST	20.2%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2023/24	Contribution Rate Additional Monetary Amount 2023/24
School Lunch Company (Wychwood CE Primary School)	-	-
Stir Food Limited – Mill Academy Trust (Queen Emma's Primary School) (catering contract)	21.2%	-
Swalcliffe Park School Trust	17.2%	-
Taylor Shaw Limited – United Learning Trust (Orchard Meadow and Windale Schools) (catering contract)	16.7%	-
Thames Valley Partnership	17.2%	-
The Camden Society - Lot 1	19.9%	-
The Camden Society - Lot 2	19.9%	-
UBICO Limited	17.6%	-
Vale Capita	17.8%	-
West Oxon Citizens Advice Bureau	-	-
Yorkshires Cleaning Service Ltd – ODST (St Christopher's CofE Primary School, Cowley, Oxford) (cleaning contract)	20.2%	-
Yorkshires Cleaning Services - St Francis CE Primary School, Cowley, Oxford	19.9%	-

Governance

Conflicts of Interest

All councillors and co-opted members are required to register any disclosable pecuniary interests. In preparing the year-end statement of accounts checks are made for any potential related party transactions using the interests declared by Councillors on the Pension Fund Committee.

The Governance Compliance Statement which details the degree of compliance with best practice is available on the Council's public website.

Pension Fund Committee

Committee Membership and Attendance 2023/24

Councillor	09-Jun-23	08-Sept-23	02-Dec-23	01-Mar-24
County Councillors;				
Councillor B Johnston (on committee since June 2021)	✓	✓	✓	✓
Councillor K Bulmer (on committee since May 2017)	✓	✓	✓	✓
Councillor N Field-Johnson (on committee since May 2017)	✓	✓	✓	✓
Councillor I U Edosomwan (on committee since May June 2021)	✓	✓	✓	✓
Councillor J Howson (on committee since October 2022)	✓	✓	✓	✓
Councillor I Middleton (on committee since March 2024)	n/a	n/a	n/a	✓
Councillor M O'Connor (on committee since March 2024)	n/a	n/a	n/a	✓
District Councillors;				
Councillor J Robb (on committee since September 2019)	✗	✓	✓	✓
Scheme Employers;				
Alistair Fitt (Oxford Brookes University) (on committeee since June 2021)	✓	✓	✓	✗
Shelley Cook (Academy Sector) (on committee since September 2021)	✓	✗	✗	✗
Alan Staniforth (Academy Sector) (on committee since September 2021)	✓	✗	✗	✗

Committee Members Training Received 2023/24

Alan Staniforth	Pension Regulator's New General Code of Practice'
Alistair Fitt	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
	Brunel Investor Day (AM session)
	Brunel Investor Day (PM session)
Bob Johnston	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
	Pension Regulator's New General Code of Practice'
	Brunel Investor Day (AM session)
	Brunel Investor Day (PM session)
	PLSA Local Authority Conference
	Private Equity Training by Adams Street
Ian Middleton	Private Equity Training by Adams Street
Imade Edosomwan	Private Equity Training by Adams Street
	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
	Pension Regulator's New General Code of Practice'
Jo Robb	Private Equity Training by Adams Street
	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
John Howson	Private Equity Training by Adams Street
	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
	Pension Regulator's New General Code of Practice'
	Brunel Investor Day (AM session)
	Brunel Investor Day (PM session)
Kevin Bulmer	Private Equity Training by Adams Street
	Pension Regulator's New General Code of Practice'
	Brunel Investor Day (AM session)
	Brunel Investor Day (PM session)
Michael O'Connor	Private Equity Training by Adams Street
	LOLA Module 1 - Committee Role and Pensions Legislation
	LOLA Module 4 - Pensions Accounting and Audit Standards
Nick Field-Johnson	Private Equity Training by Adams Street
	Oxfordshire Pension Fund Training Day - Accounts and Audit & Investment Performance
	Pension Regulator's New General Code of Practice'
	DB Strategic Investment Summit
	Brunel Investor Day (AM session)
	LOLA Module 1 - Committee Role and Pensions Legislation

	LOLA Module 2 - Pensions Governance
	LOLA Module 3 - Pensions Administration
	LOLA Module 4 - Pensions Accounting and Audit Standards
	LOLA Module 5 - Procurement and Relationship Management
	LOLA Module 6 - Investment Performance and Risk Management
	LOLA Module 7 - Financial Markets and Product Knowledge
	LOLA Module 8 - Actuarial methods, Standards and Practices
Shelley Cook	Pension Regulator's New General Code of Practice'
Steve Moran	PLSA Local Authority Conference
	Pension Regulator's New General Code of Practice'
	LGA Investment cost transparency
	Brunel Investor Day (AM session)
	Brunel Investor Day (PM session)
	Private Equity Training by Adams Street

Members that have been on the Pension Fund Committee in previous financial years will have attended training events in those years in addition to the training under-taken in the current financial year.

Communications

During the scheme year 2023/24, Oxfordshire Pension Fund has met all but one of their commitments set out in the Communications Policy. The commitment not me was:

- Running only one Employer User Group during the year instead of two

The policy has been met through a schedule of regular and ad-hoc communications across a variety of media including online, face to face, paper, email and online surveys (please see attached spreadsheet for details) .

Large communication projects in the Scheme Year 2023/4 have included the Re-sponsible Investment survey which was administered and managed by the Commu-nications team, managing L&G communications relating to the switch of AVC pro-viders and meeting the onerous disclosure requirements required as part of the McCloud project.

Promotional activities have included

- participating in Pensions Awareness Week,
- promoting the membership of the Pensions Board,
- establishing a link with unionised members,
- informing in response to current events where appropriate (eg changes to the Lifetime Allowance, cost of living crisis etc)
- running member talks and representing the Fund at employer events.

The Fund is also represented on the LGA's Communications Working Group and its sub groups, as well as the local Communications Group.

Member satisfaction surveys are sent out quarterly and employer satisfaction surveys on an annual basis. In the latest survey results the Fund received a score of 4/5 from members and 4.39/5 from employers.

Risk Management

Internal Risk Management

Officers operate within the financial procedures and control environment of the Administering Authority. These are regularly audited by internal and external audit.

The Council's Internal Audit function undertook a review of the Pension Administration operations in 2023/24 with an overall conclusion of 'G' (There is a strong system of internal control in place and risks are being effectively managed. Some minor action may be required to improve controls.). Internal Audit also undertook a review of Pensions Administration – IT Applications in 2023/24 with an overall conclusion of 'A' (There is generally a good system of internal control in place and the majority of risks are being effectively managed. However, some action is required to improve controls). All actions resulting from the audits have been addressed by management.

The Pension Fund Committee is responsible for the prudent and effective stewardship of the Oxfordshire County Council Pension Fund. As part of this duty the Committee oversees the monitoring and management of risk. This role includes:

- Determining the risk management policy and reconciling this with wider organisational risk policy
- Setting the risk management strategy in line with the risk policy
- Overseeing the risk management process

The risk management process involves: Risk identification, risk analysis, risk control and monitoring.

A key tool for the management of risk is the risk register. The register incorporates an assessment of the impact and likelihood of identified risks to give a risk score, assigns a target risk score, as well as the actions required to achieve the target score. The risk register is kept under review by the Executive Director for Resources and Section 151 Officer and is presented to the Committee on a quarterly basis. The risk register is also regularly reviewed by the Oxfordshire Local Pension Board.

Risks are identified and assessed using a scoring matrix. The scoring matrix assesses two elements of a risk:

- the chance of it happening
- the impact if it did happen

Risks are analysed between:

- Funding
- Investment

- Governance
- Operational
- Regulatory

Each element is independently assessed on a scale of 1-5 (5 being the highest risk). These scores are then multiplied to give an overall score. The risk register lists the risks identified, the consequence of each risk occurring, the score assigned to each risk, the target score for each risk and the measures in place to address the risk. This process identifies the risks with the highest scores, and those furthest away from their targets, which are then closely monitored.

The table below details the highest scoring risks from the most recent version of the risk register for the Fund (a copy of the full risk register is available in the Pension Fund Committee papers for June 2024 which is on the Council's public website).

Officers are mindful of risk in carrying out their duties on a day to day basis and any significant risks identified are reviewed and managed through processes and controls accordingly. The Pensions teams have regular team meetings through which any operational risks can be discussed and dealt with appropriately.

Summary of Key Risks identified on the Pension Fund Risk Register

Risk	Cause	Impact	Likeli-hood	Risk Score	Actions Required
Operational					
Insufficient Skills and Knowledge on Committee	Poor training programme	4	2	8	Implement new training plan 2023/24. Outcomes of the knowledge progress assessment from Hymans.
Insufficient Skills and Knowledge amongst Board Members	Turnover of Board membership	4	2	8	Implement new training plan 2024/25. Currently recruiting to one scheme employer representatives.
Insufficient Resource and/or Data to Comply with Consequences of McCloud Judgement & Sergeant.	Significant requirement to retrospectively re-calculate member benefits	4	2	8	Still awaiting data from some employers. A plan is in place to bring the project up to date.

Third Party Risk Management

The Pension Fund Committee receive quarterly investment performance reports and receive regular updates from Fund Managers which provide an opportunity to ensure their strategies are in line with expectations and to discuss any risks the Committee is concerned about. Officers also have regular meetings with the Independent Financial Advisor and Fund Managers through which performance is reviewed and key issues are discussed.

The Fund's investment managers and its custodian issue annual internal control reports prepared by their auditors. For fund managers, auditors typically issue a report based on the Statement on Standards for Attestation Engagements (SSAE 16) in North America, or Audit & Assurance Faculty (AAF 01/06) in the UK. The International Auditing & Assurance Standards Board (IAASB) has also developed the International Standard on Assurance Engagements (ISAE 3402) as a global standard of reporting, for use from 2012. These documents identify internal processes and procedures, and details of the audit testing performed on them during the year. The reports are reviewed annually by the pension investments team and are used to gain assurance that the third parties' internal controls are sufficient and are operating effectively. Any concerns are discussed with the third parties to ensure corrective action is being taken where weaknesses are identified.

The following reports were received and reviewed:

Company	Report Type	Reporting Period End	Auditor
Adams Street Partners	SOC 1	30 September 2023	KPMG
Partners Group	ISAE 3402	31 December 2023	PricewaterhouseCoopers
State Street Bank & Trust Company (Custodian)	SOC 1	31 March 2024	Ernst & Young
Legal & General Investment Management	AAF 01/20 / ISAE 3402	31 December 2023	KPMG

The pension investment team analyse and reconcile valuation information provided by the custodian to that of the investment manager and follow up any significant variations. The custodian also undertakes a monthly reconciliation between its records and those of funds managers and is required to investigate and report the reasons for any significant variances.

The fund's Independent Investment Advisor monitors the market and the activities of investment managers and informs officers if there are any concerns, such as changes in key staff.

Scheme Administration and Administration Performance

The Pension Services team is responsible for all scheme member benefit administration. This involves liaising with all scheme employers to receive monthly and end of year data returns, checking this information prior to loading this on to the pension system.

Once data is loaded the team can then calculate and process queries and benefit payments to scheme members.

Data assurance comes from internal checks; process review; and internal and external audit reviews.

Scheme Communications are detailed in the Communication Strategy which details types and methods of communication used to reach all fund's stakeholders. This is underpinned by the Pension Fund pages located on the County Council's website, which contains links for following fund documents:

- Communication Policy Statement
- Annual Report and Accounts
- Triennial Valuation Report
- Investment Strategy Statement
- Funding Strategy Statement
- Governance Policy Statement
- Statements of Policy about Exercise of Discretionary Functions
- Administration Strategy

Complaints are dealt with in line with the Adjudication of Disagreements Procedure which is set out in Regulation. This is a three stage process:

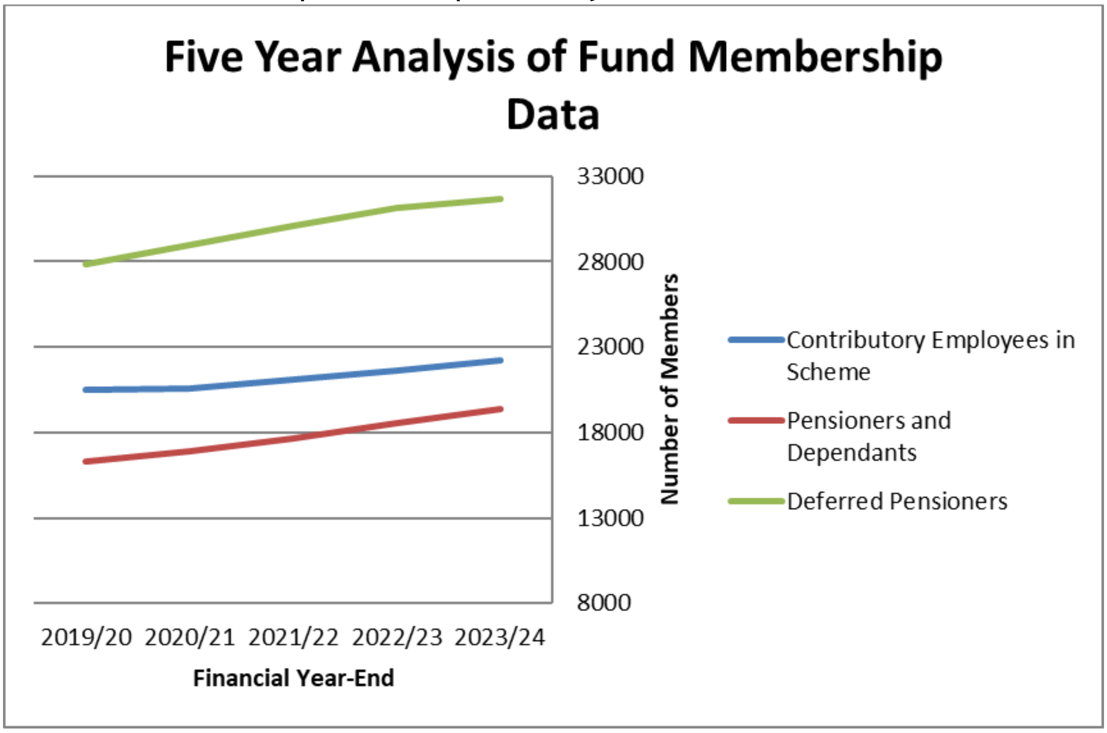
- Stage 1 – depending upon nature of complaint the Appointed Person from either the fund or scheme employer will review and provide a written determination to the points raised.
- Stage 2 – should the member be unhappy with the decision made at age 1 they have the right to ask for the Appointed Person at stage 2 to review their case.
- If, after this second independent review the member remains unhappy with the outcome they can then refer their case to the Pension Ombudsman.

The Regulations – Under the framework of overarching pension regulations The Local Government Pension Scheme is governed by statutory regulations which are the responsibility of the Ministry of Housing, Communities and Local Government.

The LGPS is applicable to staff working in the public sector, although this excludes Fire Officers, Teachers and Police Officers who have their own separate schemes. However, it will include any staff working in those areas but ineligible to join those other public sector schemes.

Members of the scheme will be employed by Oxfordshire County Council; District Councils; Town and Parish Councils; Academies, as well as private sector companies providing services on their behalf.

The fund membership over the past five years is shown below:



Promotion of Scheme Membership

The fund supplies template letters for employers to incorporate within their starter / new joiner process. This information will point to the centrally provided on-line guides (www.lgps2014.org) concerning costs and benefits of the LGPS for members, and also to the scheme guides. Both the brief guide and the full detailed guide are hosted on the fund website pages (www.oxfordshire.gov.uk/lgpsmembersguide). When requested the fund will comment on employer prepared automatic enrolment notices to members, which would be sent to eligible jobholders where the LGPS is the qualifying pension saving scheme.

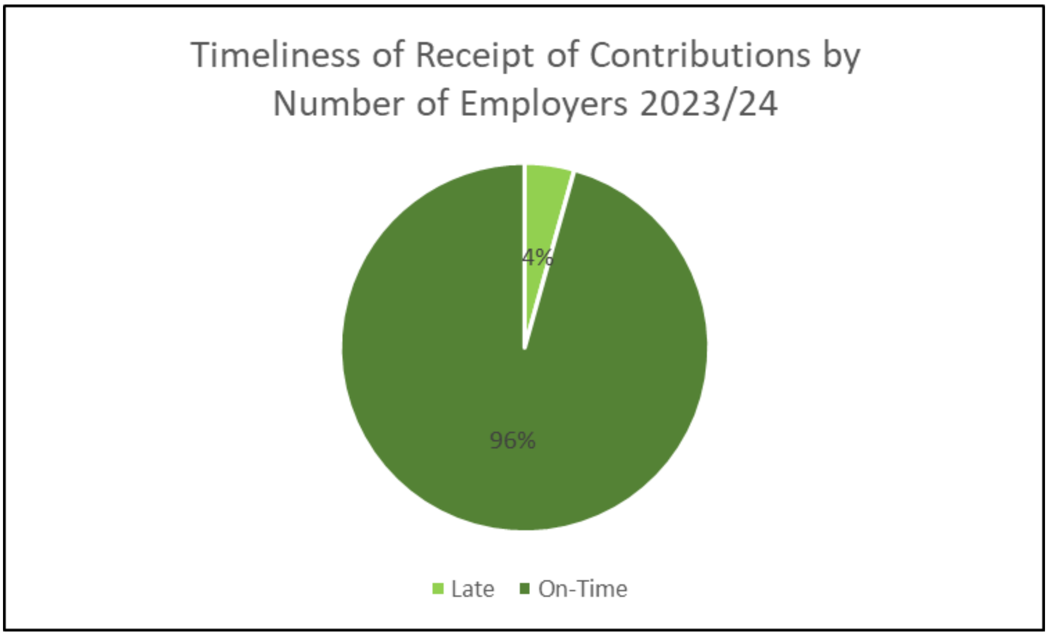
Memberships

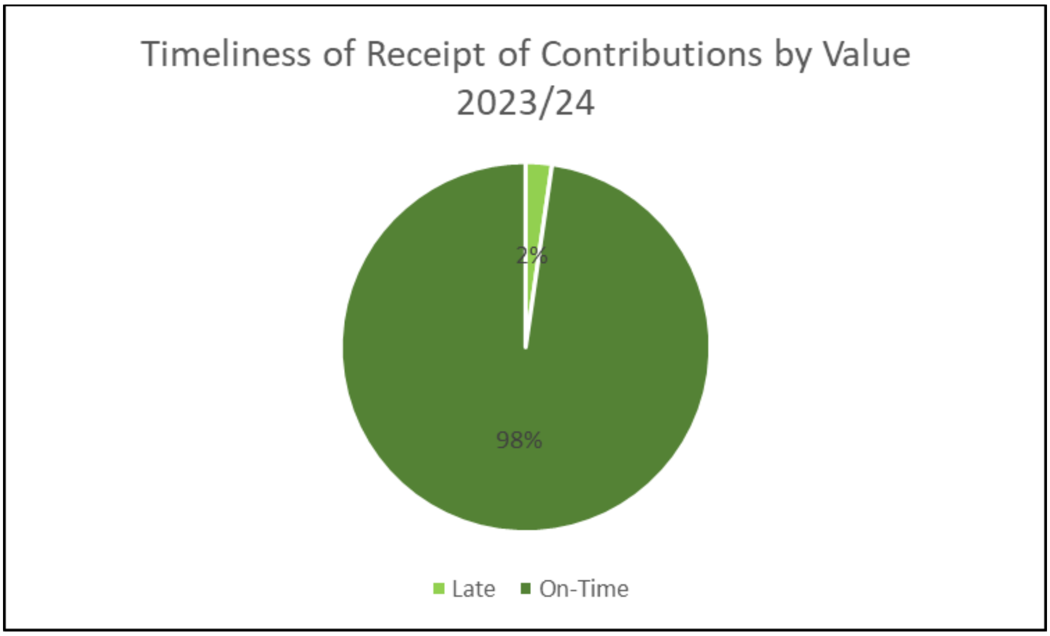
The Fund is a member of the National Association of Pension Funds, Local Authority Pension Fund Forum, Institutional Investors Group on Climate Change, Climate Action 100+, Pensions for Purpose and subscribes to the CIPFA Pensions Network.

Financial Performance

Contributions

Payment of contributions from employers is monitored on a monthly basis as they fall due. Reconciliations are undertaken between contributions received and those expected with any discrepancies followed up with the employer. Late payments are immediately followed up with employers to request payment. If contribution payments are repeatedly late the issue is escalated and a letter is sent to employers. Fines are also issued in accordance with the Administration Strategy. The graphs below illustrate the timeliness of the receipt of contributions from employers during 2023/24.





Budget

The below table shows budget for 2023/24:

	Budget £'000	Actual £'000	Variance £'000
Administrative Expenses			
Administrative Employee Costs	1,607	1,486	-121
Support Services Including ICT	930	870	-60
Printing & Stationary	132	75	-57
Advisory & Consultancy Fees	315	9	-306
Other	59	40	-19
Total Administrative Expenses	**3,043**	**2,480**	**-563**
Investment Management Expenses			
Management Fees	12,450	18,091	5,641
Custody Fees	30	49	19
Brunel Contract Costs	1,258	1,313	55
Total Investment Management Expenses	**13,738**	**19,453**	**5,715**
Oversight & Governance			
Investment & Governance Employee Costs	380	375	-5
Support Services Including ICT	12	8	-4
Actuarial Fees	190	136	-54
External Audit Fees	50	42	-8
Internal Audit Fees	17	16	-1
Advisory & Consultancy Fees	98	81	-17
Committee and Board Costs	64	40	-24
Subscriptions and Memberships	70	45	-25
Total Oversight & Governance Expenses	**881**	**743**	**-138**
Total Pension Fund Budget	**17,662**	**22,676**	**5,014**

Investment Pooling – Brunel Pension Partnership

In 2015 the Department of Communities and Local Government (as it then was) issued LGPS:
Investment Reform Criteria and Guidance which set out how the government expected funds to establish asset pooling arrangements. The objective was to deliver:

- Benefits of scale.
- Strong governance and decision making.
- Reduced costs and excellent value for money, and
- An improved capacity and capability to invest in infrastructure.

This has led to the creation of eight asset pools which have significantly changed the previous approach to investing, although it should be stressed that the responsibility for determining asset allocations and the investment strategy remain with individual pension funds.

As a result of the investment pooling agenda, the Oxfordshire Pension Fund joined with nine other LGPS administering authorities to set up the Brunel Pension Partnership. Oxfordshire County Council approved the business case for Brunel, based on estimated potential fee savings of £550 million over a 20 year period across the ten funds, of which Oxfordshire's share was £18 million with a breakeven year of 2025. The expected costs and savings for the Oxfordshire Pension Fund, as per the original business case approved, and then submitted to Government, are set out in the following table:

	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026 to 2036	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Set up costs	117	1,041										**1,158**
Ongoing Brunel Costs			430	558	577	595	614	634	655	676	8,093	**12,833**
Clients Savings			(114)	(117)	(120)	(124)	(128)	(132)	(136)	(140)	(1,648)	**(2,658)**
Transition costs			1,231	2,315	12							**3,558**
Fee savings			(191)	(504)	(920)	(1,070)	(1,235)	(1,413)	(1,513)	(1,620)	(24,618)	**(33,084)**
Net costs / (realised savings)	**117**	**1,041**	**1,357**	**2,252**	**(452)**	**(599)**	**(748)**	**(910)**	**(994)**	**(1,084)**	**(18,173)**	**(18,194)**

Following approval of the business case, the Brunel Pension Partnership Ltd was established in July 2017, as a company wholly owned by the Administering Authorities (in equal shares) that participate in the pool. The company is authorised by the Financial Conduct Authority (FCA). It is responsible for implementing the detailed Strategic Asset Allocations of the participating funds by investing Funds' assets within defined investment portfolios. In particular, Brunel researches and selects the external managers or pooled funds needed to meet the investment objective of each portfolio.

Now that Brunel is operational, the financial performance of the pool will be monitored to ensure that Brunel is delivering on the key objectives of investment pooling. This includes reporting of the costs associated with the appointment and management of the pool company including set up costs, investment management expenses and the oversight and monitoring of Brunel by the client funds. The set up and transition costs incurred to date are set out in the following table.

	Cumulative £000s
Set up costs:	
Recruitment	18
Legal	133
Consulting, Advisory & Procurement	82
Other support Costs e.g.IT, accommodation	0
Share Purchase / Subscription Costs	840
Other Working Capital Provided e.g. loans	-
Staff Costs	-
TOTAL SET UP COSTS	**1,072**
Transition Costs:	
Transition Fee	240
Tax	833
Other Transition Costs	6,553
TOTAL TRANSITION COSTS	**7,626**

A summary of the costs and savings to date compared to the original business case is provided in the following table.

	2022/23				2023/24			
	Budget		Actual		Budget		Actual	
	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000
Set up costs	0	1,158	0	1,072	0	1,158	0	1,072
Ongoing Brunel Costs	614	2,775	1,172	5,076	634	3,409	1,301	6,377
Clients Savings	(128)	(603)	0	0	(132)	(734)	0	0
Transition costs	0	3,558	0	7,626	0	3,558	0	7,626
Fee savings	(1,235)	(3,920)	(3,644)	(10,217)	(1,413)	(5,333)	(4,467)	(14,684)
Net costs / (realised savings)	**(749)**	**2,968**	**(2,472)**	**3,557**	**(911)**	**2,058**	**(3,166)**	**(391)**

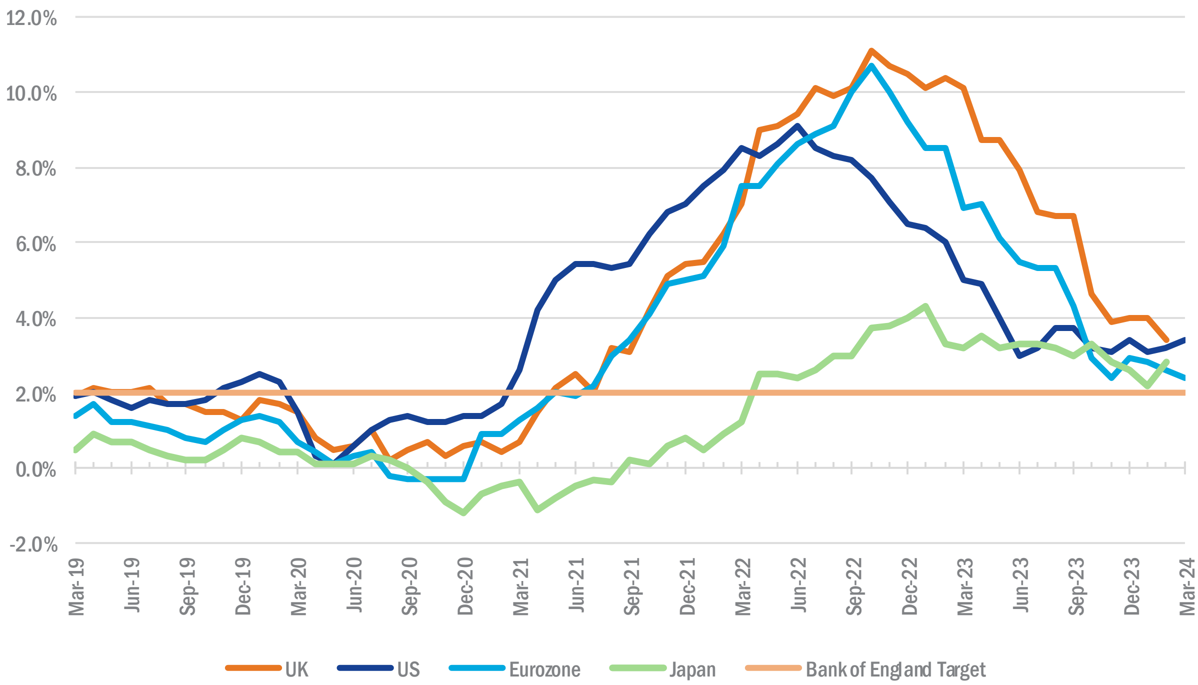
Investment Review

Independent Investment Adviser's Report
Economic Background

The last financial year to March 2024 was a game of two halves, the first six months to September 2023 saw inflation falling across the developed world but at a slower pace than many hoped. In particular, the US Central Bank, the Federal Reserve (US Fed), who set interest rates for the whole US economy, was concerned that the rapid rise in US interest rates seen since late March 2022, would not be enough to slow a vibrant US economy with wage and service sector inflation, in particular, remaining strong. During this period, Global Equity markets made muted gains and most Government Bond Markets saw yields rise and prices fall slightly. This all changed in September 2023 when the US Fed indicated that they believed that inflation was now under control and would fall back to their target level of 2% per annum allowing them to cut interest rates through 2024. The market response was to push bond yields down (prices up) in the expectation of future interest rate cuts across the developed world and push equities higher in the belief that the US and many other countries had avoided a prolonged economic recession.

The chart below shows inflation as measured by the Consumer Price Index (CPI) for the major economic areas. It shows how rapidly inflation has picked up following a prolonged period of very low inflation and therefore low interest rates. Because inflation is measured as the change in prices over the preceding twelve months, the rate will naturally peak at some stage as past price rises drop out of the equation. Nonetheless, inflation has risen higher and lasted longer than most economic analysts and central banks expected.

Chart 1: CPI - Annual Rate of Inflation - Five Years to March 2024



Source: Bloomberg

Notes: UK: UK CPI EU Harmonised YoY NSA (Ticker: UKRPCJYR Index); US: US CPI Urban Consumer YoY NSA (Ticker: CPI YOY Index); Eurozone: Eurostat Eurozone MUICP All Items YoY Flash Estimate (Ticker: ECCPEST Index); Japan: Japan CPI Nationwide YOY (Ticker: JNCPIYOY Index).

The rise in inflation was driven by disruption to global supply chains post the Covid pandemic and by the Russian invasion of Ukraine which disrupted the supply of oil and gas as well as other commodity costs, particularly to Europe, with higher gas prices pushing up energy costs for the consumer. However, I do not believe we are about to re-enter a period of stable and subdued inflation because the economic and political background has changed. Until recently the global economy has benefitted from a number of long-term global developments which have helped reduce inflation:

1) Globalisation and the opening up of China which bought more people into the global workforce and reduced the cost of production. This is now slowing if not reversing as the world seems a more unsettled place and companies are more interested in securing their supply lines in countries nearby than in hunting for the lowest cost of production.
2) Demographics and social change which saw more people come of working age in the main developed economies and more women take on employment. However, for almost all of the developed world as well as in China demographics are now negative with falling birth rates and a greater proportion of the population entering old age. This is reducing the percentage of the population of working age.

In addition, we now need to transition to a decarbonized global economy, which is a necessity to prevent further damage to the environment but often comes with an upfront cost which will be passed on to the end consumer. All this is set against a backdrop of high Government spending with the US running the highest budget deficit (spending less revenues from taxation etc) than at anytime outside the two world wars. This has to be financed by high levels of borrowing.

My conclusion to all of this is that the economic and market outlook for the future remains highly uncertain with inflation likely to remain volatile and prone to rise over the medium term.

Fund Returns

The 2023/24 fiscal year was good for most investments, particularly during the second half of the financial year, as markets began to expect interest rates to fall. Global Equities rose 24% in local currency terms over the financial year having been flat over the first six months. This rise was slightly lower in Sterling terms as the UK currency strengthened against both the US Dollar and the Euro over the financial year having been weak previously. UK government bonds (Gilts) returned 3.7% over the year with Index-linked Gilts (UK Government bonds which pay an amount of interest linked to future inflation rates) returning 1%. UK Corporate bonds fared better returning close to 10% for companies rated as Investment Grade as the predicted UK recession proved shallow and short lived.

This beneficial market backdrop and strong investment returns saw your Fund increase in value to £3.527bn having returned 11.4% over the 2023/4 financial year, however, this was below the return of the Fund benchmark at 12.4% over the period. Over the last 10 years the Fund has performed in line with its benchmark returning 7.8% per annum but is behind the benchmark over the last 3 and 5 year periods.

Nonetheless, this return of 7.8% per annum over the last 10 years is above the rate assumed by the actuary which means the Fund's assets have increased by more than the actuary's calculation of the Fund's liabilities (the accrued pension obligations) leaving the Fund in a strong position to meet these obligations into the future. The Fund does still need to earn an investment return over the long-term to cover the cost of future pension accruals.

Brunel Pension Partnership – Pooling

89% of the Fund is now managed by the Brunel Pension Partnership (Brunel). The Fund's assets will remain segregated within Brunel and managed purely in the interest of the members of the Oxfordshire County Council Pension Fund. Brunel now manage over £35bn of assets for 10 Local Government Pension Schemes across the South-West of England. This gives them the ability to negotiate better fees with the asset managers and thereby deliver cost savings to the Fund. Brunel have a strong commitment to the environment and investing responsibly. Any members particularly interested in this area should visit the Brunel website for further information.

During the year your Fund invested £21m into a portfolio of renewable energy assets located in the south west of England. Whilst this was done in conjunction with a number of the other LGPS Funds who are members of Brunel, the transaction and future monitoring will be done directly by your Fund officers as Brunel was unable to take on this role at the current time. This is in addition to existing investments into renewable energy and the Fund will continue to invest in this space going forward.

During the financial year the Fund continued to make progress on its climate change agenda, the Pensions Committee has spent time on training in this area and has a Climate Change Working Group looking to set out the Pension Committee's stance on this issue as well as what metrics the Fund will produce to highlight progress towards net zero. The Pension Committee also renewed its Responsible investment Policy during the financial year.

Outlook

Investment markets are likely to remain difficult for the next few years and my expectation is that inflation is not yet beaten and because of this interest rates will remain higher over the medium-term but also more volatile as central banks look to tread a tightrope between containing inflation and securing economic prosperity and full employment. Your Fund is well diversified, across different asset classes as well as by industry and geography which will make it better able to weather this period of potentially lower returns.

As an open, Defined Benefit Pension Fund, your Fund has the benefit of having a very long-term investment horizon, this allows the Fund to invest for the long-term, to weather periods of market volatility and invest in the best interests of not just the Fund's membership but also the global environment. Through Brunel, the Fund looks to work with investment managers whose aim is to invest responsibly, taking into account the Environmental, Social and Governance (ESG) background to their investments as well as targeting investment returns. The Pension Committee and your Officers regard investing responsibly as a key part of their fiduciary duty along with pursuing the best achievable investment returns at an acceptable level of risk to the Fund.

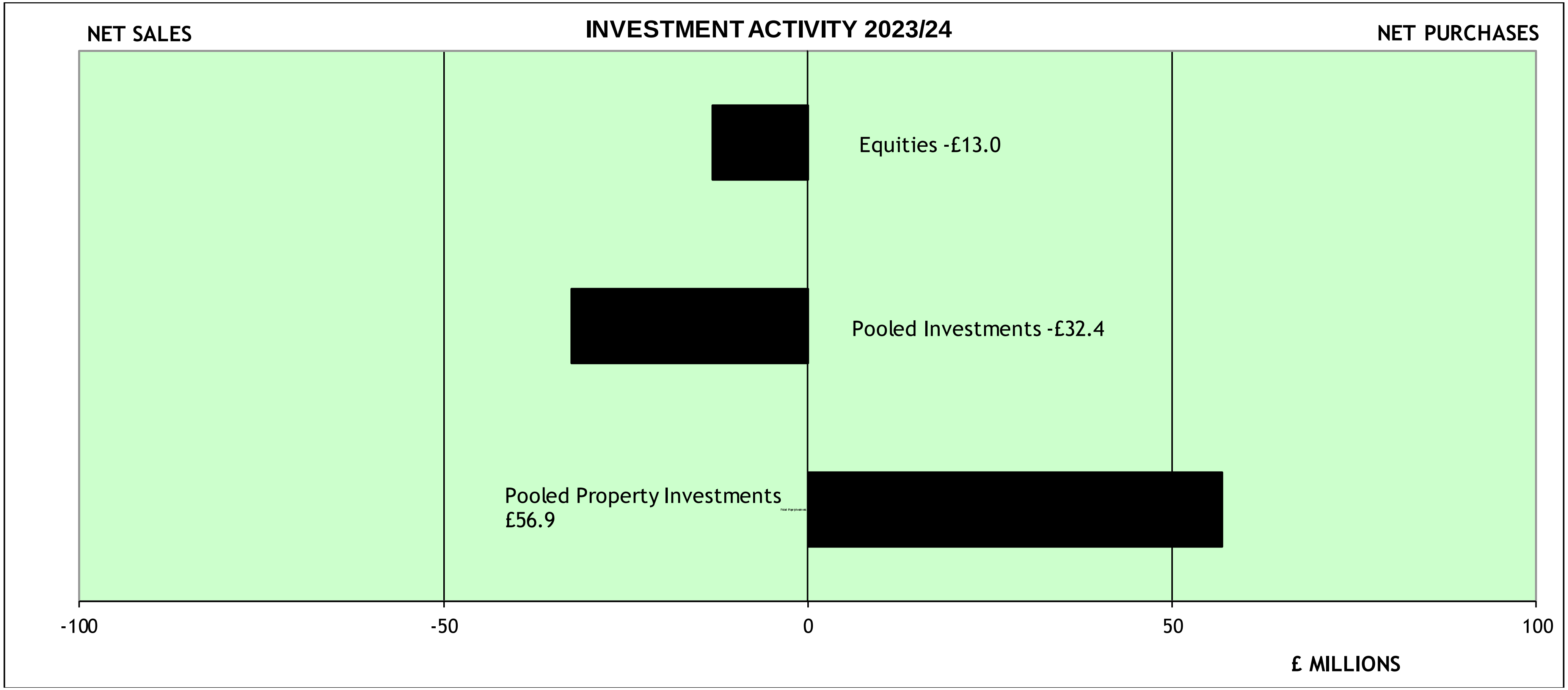
John Arthur
Independent Investment Advisor
July 2024

Table showing the total returns (capital plus income) in sterling terms calculated on major indices for the year to 31 March 2024.

SECTOR		INDEX	% Total return Year to 31.3.24
Equities	Global	FTSE All-World	21.04%
	UK	FTSE All Share	8.21%
	North America	FTSE AW – North America	26.72%
	Japan	FTSE AW – Japan	22.05%
	Europe	FTSE AW – Europe (ex UK)	13.84%
	Asia Pacific	FTSE AW – Asia Pacific (ex Japan)	4.63%
	Emerging Markets	FTSE AW – Emerging Markets	6.07%
Bonds	UK Government	FTSE-A Government (All Stocks)	-0.04%
	UK Index-Linked	FTSE-A Index-Linked (over 5 years)	-7.77%
	UK Corporate Bonds	iBoxxSterling non-Gilt All Stocks	6.11%
	Overseas	JP Morgan Global Government (ex UK) Traded Bond Index (£)	2.00%
Cash	UK	SONIA Compounded Index	5.05%
Property	UK Commercial	MSCI/AREF-UK Quarterly Property Fund Index	-1.03%

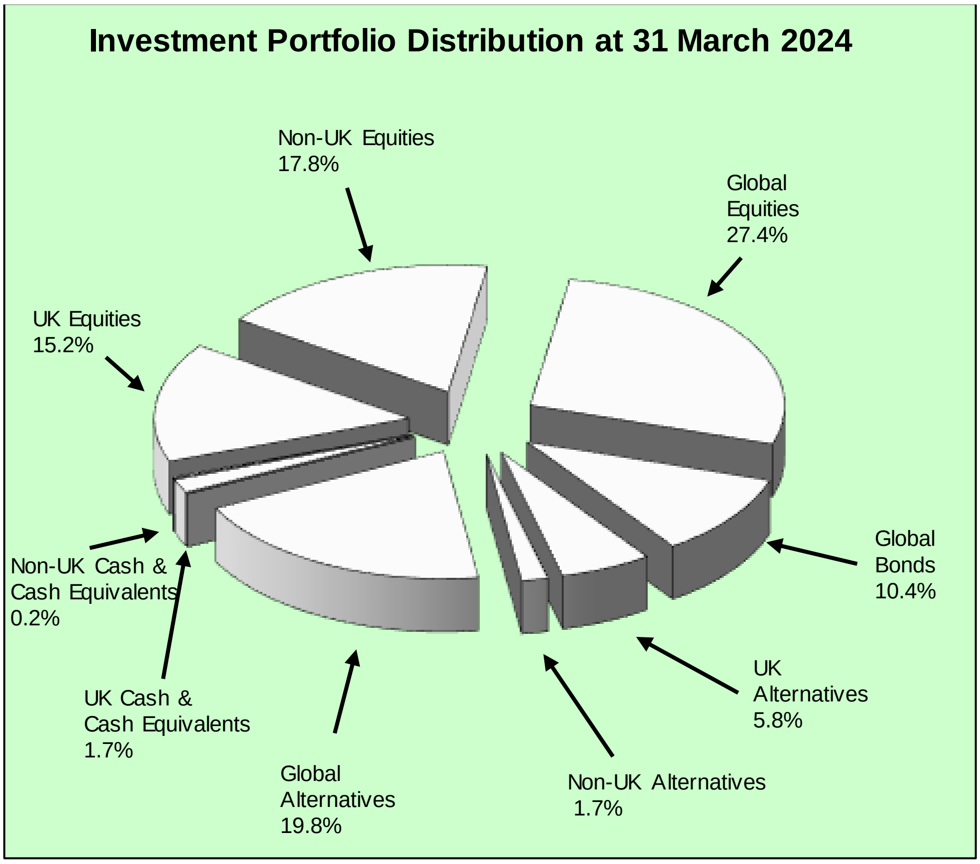
- **Investment Activity**

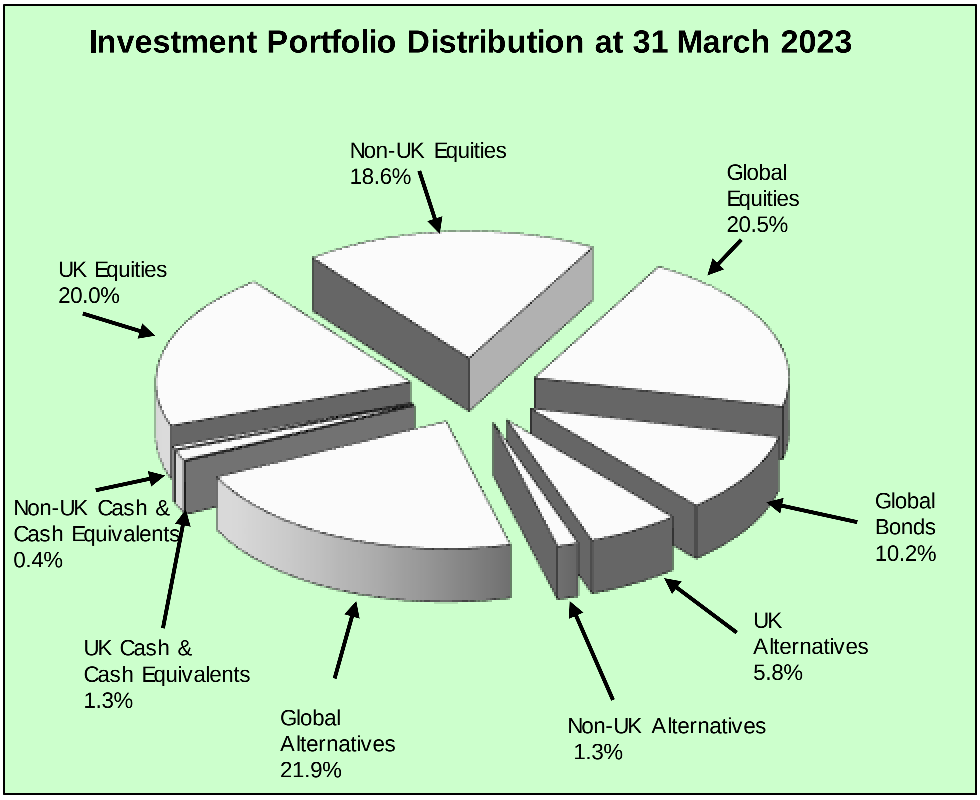
The Pension Fund invested a net £11.5 million during the year ended 31 March 2024. The amounts invested or disinvested in each principal category of asset are shown in the chart below. Derivatives are not included in the chart.



Portfolio Distribution

The distribution of the Pension Fund amongst the principal categories of assets as at 31 March 2024 is shown in the chart below. A comparative chart of the position at 31 March 2023 is also shown. Changes in the asset weightings, from one year to another, are due to investment activity and market movements.





Asset Allocation

The Pension Fund's asset allocation as at 31 March 2024 is shown in the table below:

£m Asset Values as at 31 March 2024	Pooled	Under Pool Management	Not Pooled	Total
Equities	1,956	-	-	1,956
Bonds	516	-	-	516
Property	295	-	21	316
Private Equity	138	-	286	424
Private Debt	68	-	-	68
Infrastructure	143	-	38	181
Cash	15	-	51	66
Total	**3,131**	**-**	**396**	**3,527**

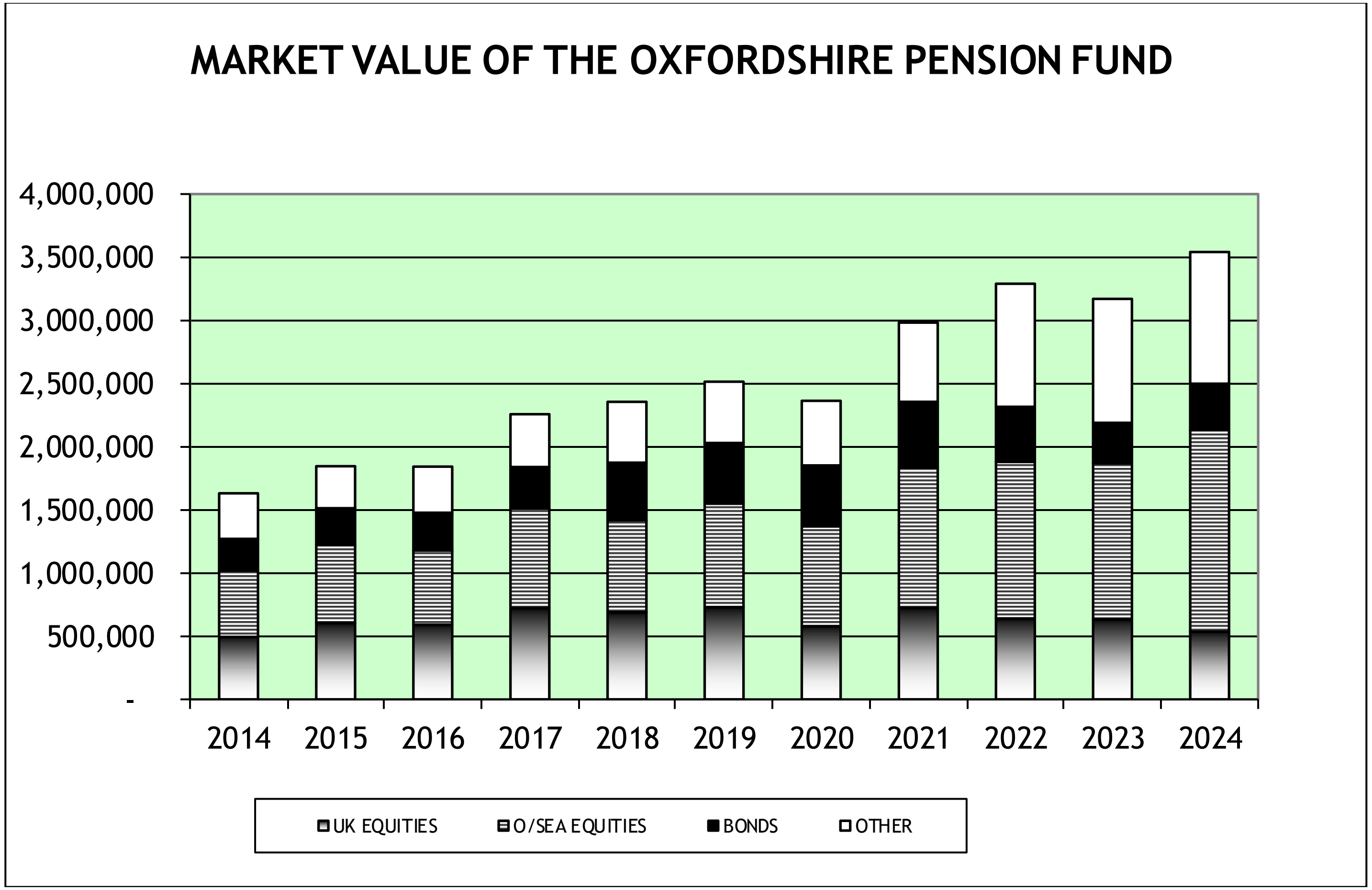
The below table shows the Pension Fund's investments in the UK using the guidance from the Preparing the Pension Fund Annual Report Guidance for Local Government Pension Scheme Funds April 2024.

£m Asset Values as at 31 March 2024	Pooled	Under Pool Management	Not Pooled	Total
UK Listed Equities	414	-	-	414
UK Government Bonds	230	-	-	230
UK Infrastructure	16	-	23	39
UK Private Equity	20	-	228	248
Total	**680**	**-**	**251**	**931**

Portfolio Asset Allocation over the Ten Years to March 2024

The total assets (including accruals) of the Pension Fund have grown from £1,631 million at end of March 2014 to £3,541 million at end of March 2024 (see chart below).

Over the period the percentage in UK equities decreased from 30.3% to 15.1% and bonds decreased from 15.4% to 10.3%.



♦ Investment Benchmark and Performance

The performance of the individual Fund Managers against their benchmark is shown in the following table. Each Fund Manager is given a different target to outperform their benchmark over a rolling three-year period. The table shows that performance in 2023/24 at the total fund level was 1.2% below benchmark with an overall return of 11.2%.

Fund Manager	Target %	One Year Ended 31 March 2024		Three Years Ended 31 March 2024		Five Years Ended 31 March 2024	
		Benchmark Return %	Oxfordshire Return %	Benchmark Return %	Oxfordshire Return %	Benchmark Return %	Oxfordshire Return %
Brunel UK Equities	2.0	8.4	10.4	8.6	7.0	5.4	4.6
Passive Dev Eq Paris Aligned	n/a	21.3	21.3	-	-	-	-
Brunel Global Sustainable Equities	n/a	21.2	13.1	10.7	6.5	-	-
Brunel Global High Alpha Equity	2-3	23.1	20.5	12.4	9.6	-	-
Brunel Sterling Corporate Bonds		6.1	8.8	-	-	-	-
Brunel Multi-Asset Credit		9.2	11.8	-	-	-	-
Passive Index Linked Gilts Over 5 Years		-6.8	-6.7	-	-	-	-
Brunel UK Property		-1.0	-0.9	0.8	2.1	-	-
Brunel International Property		-8.0	12.1	3.5	0.1	-	-
In-House Property	Excess	-0.7	-11.7	1.5	3.3	1.4	1.9
In-House Private Equity	1.0	21.2	19.1	11.5	16.0	12.7	16.6
Brunel Private Equity - Cycle 1	3.0	21.2	5.6	10.7	21.0	12.1	15.4
Brunel Private Equity - Cycle 2		21.2	3.5	10.7	9.8	-	-
In-House Infrastructure	4.0	7.3	4.6	10.0	11.4	7.7	10.0
Greencoat Wessex Gardens		-	-	-	-	-	-
Brunel Infrastructure - Cycle 1	4.0	3.2	4.7	6.7	8.5	4.4	8.8
Brunel Infrastructure - Cycle 2		3.2	2.2	6.7	6.2	-	-
Brunel Infrastructure - Cycle 3		3.2	-4.0	-	-	-	-
Brunel Secured Income - Cycle 1	2.0	3.2	-2.6	6.7	-1.5	4.4	0.1
Brunel Secured Income - Cycle 2		3.2	-3.8	6.7	0.7	-	-

Brunel Secured Income – Cycle 3		-	-	-	-	-	-
Brunel Private Debt - Cycle 2		9.2	14.3	-	-	-	-
Brunel Private Debt - Cycle 3		9.2	10.6	-	-	-	-
Cash	n/a	4.9	7.0	2.4	9.0	1.6	5.5
Total Fund		**12.4**	**11.2**	**7.3**	**5.6**	**7.3**	**6.5**

Cash held by Fund Managers is included within total Fund Manager performance.

Further investment performance details comparing the Oxfordshire Pension Fund with other local authority funds and indices are shown in the table below.

% Returns per annum for the financial year ended 31 March 2024				
Actual Returns	1 year	3 years	5 years	10 years
Oxfordshire Total Fund Return	11.2	5.6	6.5	7.6
Average Returns				
PIRC LGPS Universe Median Return	10.6	5.1	6.5	7.4
Oxfordshire Benchmark	12.4	7.3	7.3	7.8

Responsible Investment

Fund managers produce reports outlining their engagement and ESG related activity. All of the Fund's investment managers are signatories to the United Nations Principles for Responsible Investment Initiative. Fund managers and officers monitor ESG related developments and reports are produced for the Committee on topical ESG issues relevant to the Fund. In 2019/20 the Pension Fund adopted a Climate Change Policy recognising this as the single most important factor that could materially impact its long-term investment performance given its systemic nature and the effects it could have on global financial markets. A copy of the Policy is available on the Council's website: OCCPF Climate Change Policy (oxfordshire.gov.uk).

The Fund has produced a report based on the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations which is included below on pages 44-67:

Voting

Introduction

The UK Stewardship Code was introduced by the Financial Reporting Council in 2010, and revised in September 2012. The Code, directed at institutional investors in UK companies, aims to protect and enhance the value that accrues to ultimate beneficiaries through the adoption of its seven principles. The code applies to fund managers and also encourages asset owners such as pension funds, to disclose their level of compliance with the code.

Principle 6 of the Code states that Institutional investors should have a clear policy on voting and disclosure of voting activity. They should seek to vote all shares held and should not automatically support the board. If they have been unable to reach a satisfactory outcome through active dialogue then they should register an abstention or vote against the resolution, informing the company in advance of their intention to do so and why.

The Oxfordshire County Council Pension Fund's voting policy is set out in its Investment Strategy Statement which states that in practice the Fund's Investment Managers are delegated authority to exercise voting rights in respect of the Council's holdings. Voting decisions are fully delegated to fund managers, while recognising that the Fund maintains ultimate responsibility for ensuring that voting is undertaken in the best interests of the Fund.

Oxfordshire Pension Fund

www.oxfordshire.gov.uk/pensions

Oxfordshire County Council Pension Fund TCFD Report 2023/24

August 2024

Oxfordshire County Council Pension Fund Taskforce on Climate-related Financial Disclosures Report 2023/24

Introduction

This is the Oxfordshire Pension Fund's fourth report under the Taskforce on Climate-related Financial Disclosures (TCFD) framework. As well as reporting against the TCFD recommendations the report is intended to review the progress made against the Fund's Climate Change Policy and Implementation Plan which were agreed in June 2020.

In March 2023 the Intergovernmental Panel on Climate Change (IPCC) published the synthesis report from its Sixth Assessment Cycle. The report made for sombre reading covering the inadequacy of emissions cuts, more severe climate impacts than expected from current warming, and the future risks from every fraction of a degree of warming. The report also highlights the need for a dramatic increase in capital that is directed towards climate mitigation and adaptation.

The United Nations Environment Programme's 2023 Emissions Gap Report continues to show how far off-target the world currently is from meeting a commitment of keeping global temperature rise below 1.5°C. According to the report, policies currently in place point to a 2.9°C temperature rise by the end of the century. Implementation of the current conditional pledges will only reduce this to a 2.5°C temperature rise by the end of the century, still far above the well below 2°C target. These figures are also disappointingly almost identical to the figures from the 2022 report highlighting the lack of progress in making the required emissions reductions.

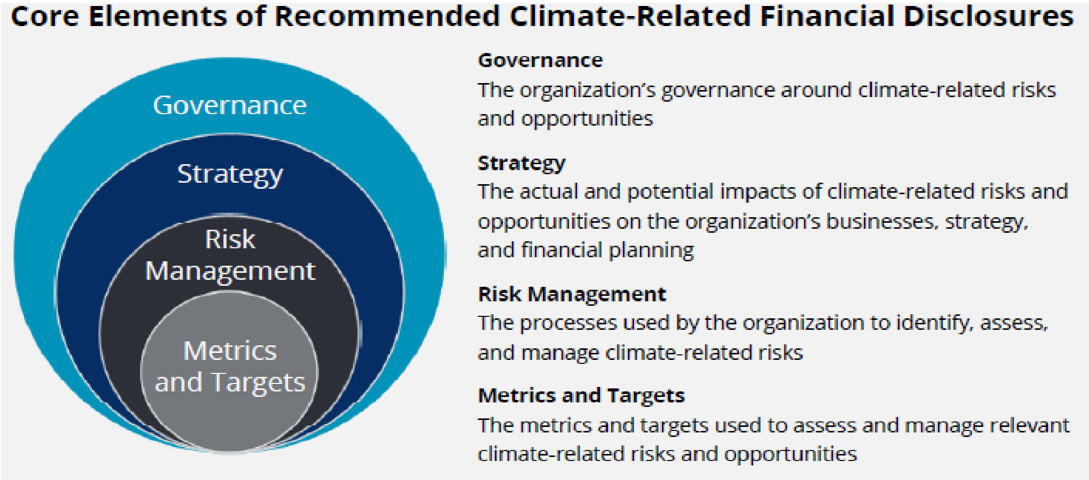
Both reports continue to state that there is a feasible pathway to net-zero by 2050. However, the window for necessary action is rapidly closing and further delay risks irreversible changes to the climate system and its impacts.

The Fund continues to work on the implementation of its Climate Change Policy and in June 2024 agreed a new Responsible Investment Policy. As part of the Implementation of the Responsible Investment Policy the fund aims to increase its reporting of climate metrics to ensure effective monitoring of progress. In addition, the Fund is seeking to set a new target on investment in climate mitigation and adaptation, directly addressing one of the challenges identified in the latest IPCC report.

Background to the TCFD

In 2017 the TCFD released its recommendations for improved transparency by companies, asset managers, asset owners, banks, and insurance companies on how climate-related risks and opportunities are being managed. Supporters of the TCFD total over 3,800 organisations across 92 countries. The Task Force consists of 35 members from across the G20, representing both users and preparers of financial disclosures, and is currently chaired by Michael R. Bloomberg founder of Bloomberg L.P.

The TCFD was established to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. The four core elements of the recommended disclosures are detailed in the diagram below.



(Recommendations of the Task Force on Climate-related Financial Disclosures, 2017)

The TCFD recommendations on climate-related financial disclosures are intended to be widely adoptable and applicable to organisations across sectors and jurisdictions.

In November 2020, the UK Government announced its 'TCFD road-map' with a commitment to roll out statutory TCFD compliant disclosure across the finance sector by 2025. This is underway with regulators having made, or being in the process of making, TCFD based reporting mandatory and having published guidance on the implementation of the recommendations relevant to the sector in question. The table below shows the announced TCFD implementation plans in the UK.

Financial Conduct Authority	Implementation Date
UK Listed Companies	2021
Asset Managers and Workplace Personal Pensions	2022
Large UK-Registered Private Companies	2023
Department for Work & Pensions (DWP)	

Occupational Pension Schemes	2021

Governance

TCFD Recommended Disclosure – a. Describe the board's oversight of climate-related risks and opportunities.

The Fund's governance arrangements are set out in its Governance Policy Statement. All functions relating to the management of the Pension Fund have been delegated by Oxfordshire County Council to the Pension Fund Committee. As such, the Committee are responsible for the Fund's long-term strategy.

The Pension Fund Committee are responsible for setting the Fund's Investment Strategy Statement which includes the approach to responsible investment. The Fund has an Independent Investment Adviser who provides investment advice to the Fund including on investment strategy, this includes the integration of climate change related risk assessment into the investment approach of the Fund.

Climate change is considered in the budget setting process in terms of training requirements, any climate related consultancy deemed beneficial, and climate related reporting requirements.

In June 2020 the Pension Fund Committee agreed a Climate Change Policy and Climate Change Policy Implementation Plan. Progress against the Policy and Implementation Plan is to be reported to Committee quarterly with a more detailed annual review.

Following agreement of the Policy a Climate Change Working Group was formed which currently comprises of Committee members, a Local Pension Board member, Fund officers, the Fund's Independent Investment Adviser, a scheme member representative, and a member of the Fossil Free Oxfordshire campaign group. The Working Group aims to meet quarterly and report back to the Committee at its quarterly meetings.

As required by LGPS regulations, the Pension Fund operates a Local Pension Board which meets on a quarterly basis. The Board's role is to ensure the efficient and effective governance and administration of the Fund, including compliance with relevant regulations and legislation that apply to the Fund.

The Fund, along with nine other LGPS funds, is a part of the Brunel Pension Partnership which develops investment portfolios that are made available to client funds to invest in. Under pooling requirements set by the government the Pension Fund is required to make all investments through Brunel while maintaining responsibility for asset allocation decisions. The key bodies where the Fund interacts with Brunel are the Client Group, Brunel Oversight Board, and Shareholder Forum where fund representatives and Brunel meet. There is also a Responsible Investment sub-Group where discussions take place between Brunel and the various client funds about the approach to assessing and managing climate related risks, amongst other issues.

Climate related risks and opportunities form a key part of the reporting received from Brunel on their portfolios and activities and Brunel has a dedicated responsible investment team.

As the asset manager responsible for appointing sub-asset managers, Brunel has a key role ensuring that climate related risks and opportunities are integrated into the investment process. In fact, Brunel go beyond this, with a stated aim to "*systematically change the investment industry to ensure that it is fit for purpose for a world where the temperature rise needs to be kept to 1.5°C compared to pre-industrial levels.*"

In practical terms this translates into a focus on five principal areas, as shown in the chart below: Policy Advocacy; Product Governance; Portfolio Management; Persuasion; and Positive Impact.

Brunel regularly publishes its own plans and performance in this area – going beyond regulatory requirements. Brunel's annual [RI & Stewardship Outcomes Report] considers performance in meeting Brunel's responsible investment goals – including on climate change; their annual Carbon Metrics Report shows the exposure of all its active holdings; and the TCFD Climate Action Plan reports on Brunel's progress around climate metrics and targets.

Brunel published its first Climate Change Policy in 2020. In 2022, a Climate Stock-take was undertaken to review this Policy. Following an extensive consultation and review that considered each of the five areas shown in the diagram above, in February 2023 Brunel published its new Climate Change Policy 2023-30.

TCFD Recommended Disclosure – b. Describe management's role in assessing and managing climate-related risks and opportunities.

Day-to-day management of the Fund's Climate Change Policy implementation is delegated to management through the Executive Director Resources and Section 151 Officer and it is required to report progress to the Pension Fund Committee quarterly. Management receive an annual carbon metrics report from Brunel, which informs its reporting to Committee.

Management engage with Brunel and other Fund Managers on climate issues and receive and consider responsible investment reporting, including climate related, that is included in Fund Managers' quarterly reports. The Fund has an officer representative on the Brunel Responsible Investment Sub-Group and Cross-Pool Responsible Investment Group where developments around climate issues are regularly discussed (e.g. metrics developments, engagement activities and results).

In order to increase capacity in this area, the Fund created a new post of Responsible Investment Officer, which was filled in April 2023. A key area of responsibility for this role is around monitoring and reporting on the Fund's climate related risks and how these are being managed.

Management is responsible for developing and operating a training plan for Committee members and Officers to ensure appropriate skills and knowledge.

Strategy

TCFD Recommended Disclosure – a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

The Pension Fund has liabilities that stretch decades into the future and so primarily takes a long-term view to investment decisions. Given the diversity and global nature of the Fund's investments almost all climate related risks and opportunities are relevant to the Fund. While some of the climate-related risks/opportunities apply to the Fund across its investments as a whole, others are specific to certain sectors or geographies and fund managers are required to consider the materiality of these.

The most significant long-term risk is the systemic risk across financial markets, including social and other factors, associated with climate change that could arise if actions are not taken to adhere to the Paris Agreement. Setting a target of Net

Zero Paris alignment by 2050 is a commitment by the Fund to help to manage and mitigate that systemic risk, with a view to being able to meet the Fund's liabilities into the future.

In terms of more specific and short/medium-term risks - stranded assets, physical risks (e.g. property), sovereign debt where countries are dependent on fossil fuel linked revenue, policy risk (e.g. carbon pricing), technology risk (obsolescence), social and economic disruption as the result of a transition away from a fossil fuel-based economy and changes in consumer behavior are all factors that can affect the Fund's investments. There is also a risk that the Fund develops its investment strategy around achievement of the Paris goals but the goals are not achieved, meaning the Fund's investment strategy is misaligned with the reality of the actual climate path.

The Fund has identified climate related opportunities including the ability to reduce portfolio risk by identifying and taking action on assets at risk under Paris aligned scenarios and the potential to identify outperformance opportunities by investing in those companies whose business models/strategies are best aligned with meeting Paris Agreement scenarios. Additionally, investment opportunities exist in assets linked to the implementation of the Paris Agreement (e.g. clean energy infrastructure).

TCFD Recommended Disclosure – b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

Climate change is considered in the development of the Fund's Investment Strategy Statement, which includes the Fund's strategic asset allocation. After each funding valuation undertaken by the actuary the Fund completes a fundamental review of its asset allocation which will consider climate related risk and opportunities. The fund uses diversification to manage investment risks but given the systemic nature of climate risks this limits its effectiveness under more extreme scenarios.

The Fund's Climate Change Policy states that where there are two investment options that broadly aim to deliver the same investment objective the Pension Fund will prioritise the option that delivers the best fit to its climate change commitment. For example, consistent with this principle the Fund moved around 15% of the Fund from regular market-cap index trackers to a Paris aligned benchmark alternative in 2020.

Climate related risks and opportunities are considered when setting the Pension Fund's Business Plan and these also inform discussions with Brunel around portfolio offerings and construction.

The Pension Fund has made a commitment to achieve net-zero emissions on its own operations by 2030.

TCFD Recommended Disclosure – c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Fund is committed through its Climate Change Policy to keeping abreast of the latest scientific developments in respect of climate change to ensure that the Policy remains appropriate in its aim to align with the Paris Agreement.

Under a scenario where additional cuts in emissions are required to meet the Paris Agreement, and there was a global commitment to achieve this, the Fund would anticipate amending its target for emissions reductions across its investments accordingly and making any necessary changes to its asset allocation targets and/or investment portfolios.

Under a scenario where the Paris Agreement goals were to be overshot the Fund would consider making changes to its investments that align with this reality, this would likely include mitigating physical risks that would be associated with such a scenario. The Fund would also review whether there are changes the Fund could make, for example in engagement activity or policy advocacy, that could help correct the scenario back towards a Paris aligned one.

The draft government guidance by DLUHC on TCFD implementation proposes to place a new duty on LGPS Administering Authorities (AAs) to assess their assets, liabilities, investment strategy and funding strategy against climate risks and opportunities in at least two climate scenarios. This assessment must include at least one scenario based on a global temperature rise of 2°C or lower on pre-industrial levels. This assessment must occur at least once every valuation cycle. In interim years, AAs must consider whether any changes in the fund have been substantial enough to require scenario analysis to be repeated.

The Fund has not yet undertaken a scenario analysis exercise and acknowledges that this is a developing area. The Fund recognises the value of scenario analysis based on different climate scenarios and has committed to undertaking an exercise in its Implementation Plan, the results of which are to be incorporated into the Fund's fundamental asset allocation review process. Any scenario analysis would be intended to consider both the asset and liability implications for the Fund.

Given that the intention under government pooling guidance is for all Fund investments to take place via Brunel's portfolios, it makes sense for the Fund's scenario planning to be based upon scenario planning carried out by Brunel. This work by Brunel is due to take place in late 2024. As such, it is the aim of the Fund to include scenario planning based on the modelling carried out by Brunel in the next cycle of TCFD reporting.

Risk Management

TCFD Recommended Disclosure – a. Describe the organization's processes for identifying and assessing climate-related risks.

Climate change is included on the Fund's risk register, which considers impact and likelihood in assigning a score. The risk register is reviewed on a quarterly basis and reported to Committee at each meeting. Officers consider regulatory, scientific and political developments on climate change, in particular those from recognised international bodies such as IIGCC, International Energy Agency, and the UN Environmental Programme.

The Fund meets regularly with Brunel and discusses climate issues including any identified from the narrative reporting or climate metrics provided by Brunel.

Brunel in turn meet with their appointed fund managers who also have a responsibility to consider climate related risks and opportunities. For example, Brunel have a target for all companies held in their portfolios to achieve a Transition Pathway Initiative score of 4 or higher. The Responsible Investment Sub-Group at Brunel provides an additional forum to discuss climate related risks with Brunel.

Case Study – Risk Management

During a periodic review of holdings data by the fund's officers it was identified that the Global High Alpha Active fund contained two pure play tar-sands companies, Suncor and MEG. Given the intensity of GHG emissions from both the extraction and use of heavy oil derived from tar-sands, plus the challenging transition pathway for a pure play company operating in this sector, the fund's officers felt it was appropriate to escalate a request up to Brunel for more information on why these holdings were in the portfolio. Brunel then passed this request to the underlying asset manager to provide commentary on these holdings. This led to a session with the underlying asset manager where the client funds could ask questions directly to the asset manager. Shortly after this meeting the manager removed Suncor from the portfolio on the basis that the most recent announcements from the company did not seem aligned with achieving a net zero pathway by 2050.

This activity led to a wider conversation taking place about investment into companies involved in certain activities ultimately resulting in the adoption of certain activity-based exclusions by Brunel including for thermal coal and tar sands.

TCFD Recommended Disclosure – b. Describe the organization's processes for managing climate-related risks.

The Fund is responsible for asset allocation decisions and sets its asset allocation targets to be consistent with the Fund's Climate Change Policy. Where the Fund identifies investment needs that are not currently deliverable from Brunel portfolios there is a process for the creation of new portfolios by Brunel that can meet that need.

The key method by which the Fund's risk is managed is through diversification of investment into a variety of asset classes. Within this strategy there is also embedded an approach of integrating climate change risk management into the investment process.

Case Study – Engaging with Policy Makers

The Fund has been active in engaging with policymakers to improve the wider governance of the Local Government Pension Schemes. The Committee responded to the Government Consultation on Next Steps on Investments, Sean Collins Service Manager for Pensions , has sat all year on the Cost Management, Benefit Design and Administration Committee of the Scheme Advisory Board, and most recently has led conversations on the future structure of the LGPS including Fund mergers, including now attending a roundtable on the subject chaired by the Minister for Local Government at the Department for Levelling Up, Housing and Communities. Through these engagements the fund Committee and its officers are seeking to improve the governance of the LGPS funds, which should lead to better decision-making, including in relation to stewardship.

Voting and engagement form an important part of the Fund's management of climate-related risks. Engagement on behalf of the Pension Fund primarily takes place through Brunel, their appointed fund managers, and their engagement provider, in accordance with the approach set out in Brunel's Climate Change Policy to which the Fund is able to input. Voting is undertaken on behalf of the Fund by Brunel, utilising the expertise of their voting and engagement provider and appointed managers.

Brunel's approach to voting escalation sees an initial vote against the reappointment of a company Chair escalate to other board members where they have not met their climate disclosure expectations. These expectations will increase over time with the target of all their material holdings being on the Transition Pathway Initiative (TPI) Level 4, and having made meaningful progress to alignment with a 2 degree or below pathway.

Case study – Barclays AGM

In December 2023, Brunel co-filed a climate related resolution for consideration at Barclay's 2024 AGM to urge the company to articulate how it is responding to the risk of financing new oil and gas infrastructure that could become stranded assets. It was felt by Brunel that the large number of co-filers and the representative assets under management as well as the existing relationship with senior management provided Brunel the right platform and leverage to escalate up to filing a resolution at the company AGM.

Following engagement and negotiation the bank subscribed to a range of commitments on its financing activities in its updated policy. Three key announcements that are noteworthy are:

- *End to all direct financing for new oil and gas projects and associated transportation infrastructure.*

- *Restrictions for financing pureplay companies engaging in long-lead time expansion projects – i.e. approval only by exception. Other expansion projects will be subject to review by a newly set up Client Transition Review Forum that monitors transition progress of their corporate clients.*

- Expectation for energy clients to produce transition plans or decarbonisation strategies by January 2025 and financing of energy groups conditional on their ability to produce the following from January 2026:

1. Set net-zero aligned scope 1 and 2 emissions reduction targets by 2030;

2. Set targets to reduce methane emissions by 2030 in line with the Oil & Gas Climate Initiative or Oil & Gas Methane Partnership;

3. Committed to end flaring by 2030.

- In addition, no new clients with expansion capex greater than 10% will be provided funding from Jan 2026 onwards.

As a result of these significant announcements, Brunel and the coalition of investors decided to withdraw from the shareholder resolution.

Although Barclays has reduced its fossil fuel financing in recent years, it continues to be one of the major financiers of fossil fuels in Europe and globally. Brunel will, therefore, be engaging the company on the effectiveness of its monitoring of financing of oil and gas expansion projects – including the number of exceptions granted to pureplay companies. Brunel will also continue to urge the company to tighten its approach to fracking across global operations and expand 2026 criteria to include scope 3 emissions. If there is not enough movement in the right direction by the company in these areas then it may be necessary for further escalation, including the filing of resolutions at the company AGM.

During 2023 senior management at both BP and Shell announced that they were weakening the medium-term fossil fuel reduction targets set in the previous year. The targets being rolled back had been endorsed by shareholders in the previous year, and the decision to weaken those targets was not consulted on with shareholders beforehand. In response to this Brunel, alongside other pension funds such as USS and the Church Commissioners, voted against the reappointment of the Chairs of both companies at their 2023 AGMs.

In a follow up action Faith Ward, Brunel's Chief Responsible Investment Officer, in her role as Chair of the UK Asset Owner Roundtable, will be convening a meeting of major fund managers following the proxy season. This is in response to concerns that have been raised by several members of the UK Asset Owner Roundtable about a perceived misalignment between their long-term interests as asset owners and how investment managers are exercising proxy voting at key annual general meetings of European oil and gas majors.

The Fund, through Brunel and the Fund's membership of the Institutional Investors Group on Climate Change (IIGCC), is involved in the development of Paris Aligned Portfolios under the IIGCC's Net Zero Framework. It is intended that this work will lead to all portfolios offered by Brunel being Paris aligned eventually.

The Fund believes that in some areas, particularly around public policy engagement, it is beneficial for the Fund to act with like-minded investors. As such, the Fund is a member of investor groups whose aims are aligned with those of the Fund in respect of climate change (Climate Action 100+, Institutional Investors Group on Climate Change, Local Authority Pension Fund Forum).

TCFD Recommended Disclosure – c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Climate change is included on the Fund's risk register, which is a standing item at the quarterly Committee meetings. Climate change is a key topic included as part of the Committee training plan to ensure appropriate skills and knowledge for those making decisions.

In appointing third parties, such as the Fund's Independent Investment Adviser, the Fund will set out requirements around responsible investment as appropriate.

Climate change is also considered by the Fund's actuaries when undertaking their funding valuation.

We work with our asset manager Brunel to identify the areas of greatest risk and agree resource allocations in response to those assessments. This allocation strategy helps the Fund to mitigate and manage those risks. A key tool for this process is the annual Climate Metrics report provided by Brunel for the Fund. This provides a useful snapshot of performance and risk in relation to the Fund's Net Zero targets at both an aggregated overall Fund level and portfolio level.

Metrics and Targets

TCFD Recommended Disclosure – a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

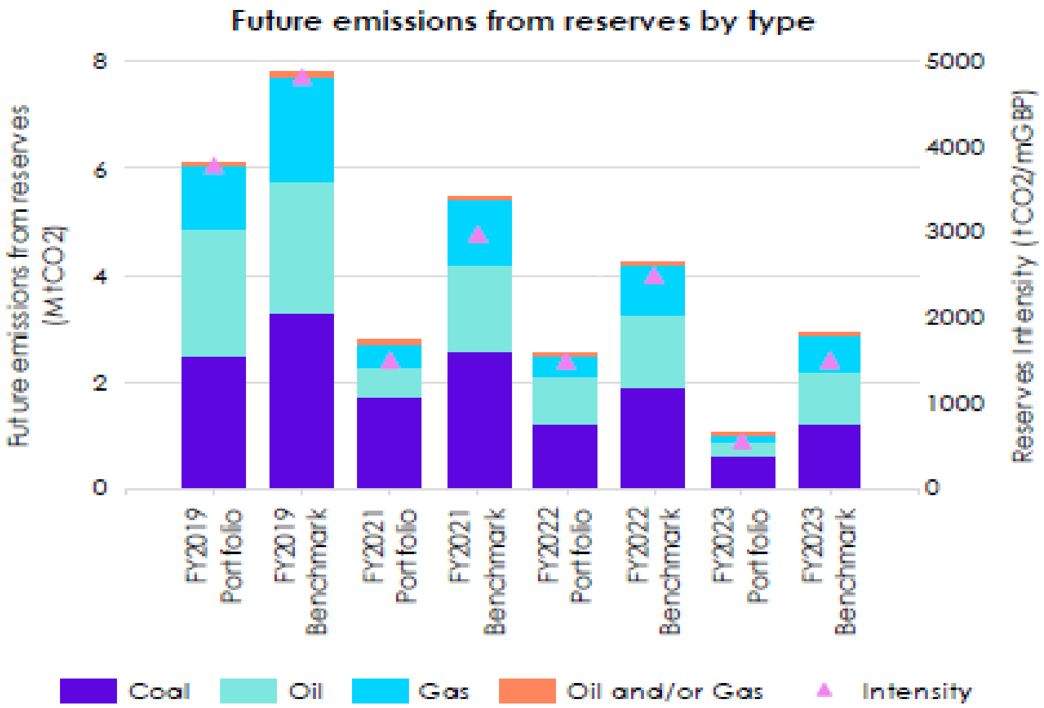
Metrics reported in this section are from the Fund's Carbon Metrics Reports. The report includes equity and fixed income assets covering around 55% of the Fund's overall investment portfolio. The Fund is working to improve reporting across other asset classes, including private markets, so that the level of coverage can be increased.

The Fund currently uses the following metrics to assess climate related risks and opportunities at both an aggregate and listed portfolio level:

- Weighted Average Carbon Intensity (WACI)
- Absolute Carbon Footprint by Scope
- Fossil Fuel Revenue Exposure
- Fossil Fuel Reserves Exposure
- Future Emissions from Reserves
- Disclosure Levels (Scope 1 Emissions)

Fossil fuel reserves exposure and future emissions from reserves are useful insights into potential downstream scope 3 emissions and can be used as an indicator of potential stranded asset risks.

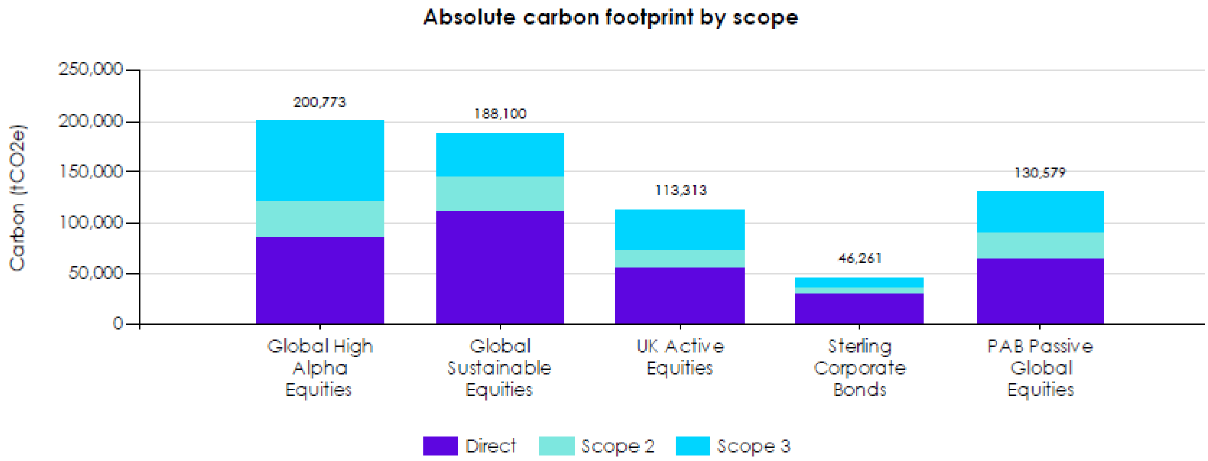
The bar chart below shows fossil fuel reserves exposure for the Fund annually from 2019-2023.



TCFD Recommended Disclosure - b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

The Pension Fund's Carbon Metrics report discloses scope 1, 2 and upstream first tier scope 3 emissions for all listed equity portfolios and the Fund's Sterling Corporate Bond Portfolio.

The graph below provides a snapshot of the Absolute Carbon Footprint by Scope of the Fund at an aggregated level and also at an individual portfolio level as at 31/12/2023.

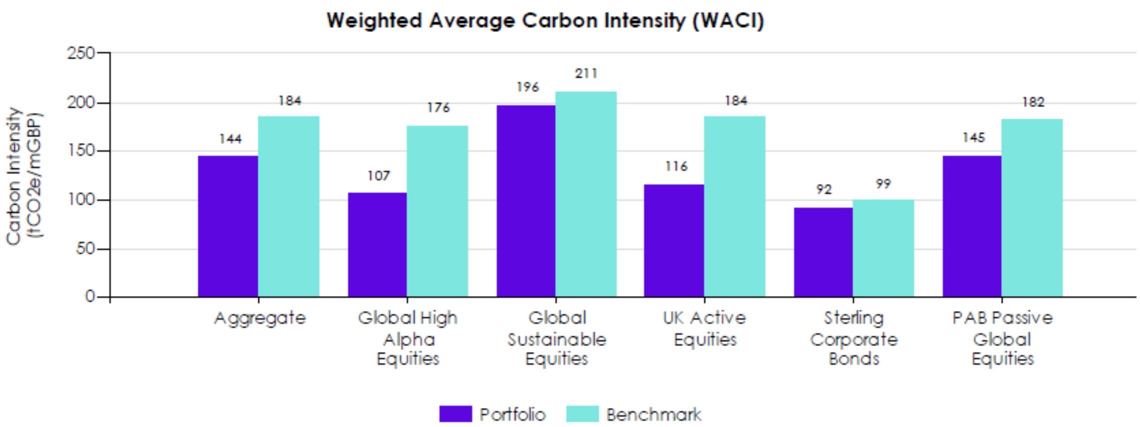


TCFD Recommended Disclosure - c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The Fund has an annual reduction target for GHG emissions across its investment portfolios of 7.6%.

The metric that has been identified in the Climate Change policy to track progress against this target is the Weighted Average Carbon Intensity (WACI) figure. This metric takes the carbon intensity (total carbon emissions divided by total revenue) of each investee and multiplies it by its weight in the portfolio.

According to the most recent Climate Metrics report from Brunel the WACI of the Oxfordshire Aggregate Portfolio is lower than its Strategic Benchmark, with a relative efficiency of +22%. As shown in the graph below all portfolios have lower levels of carbon intensity compared to their respective benchmarks.



The overall WACI figure for 2023 saw a decrease of 31% compared to the 2022 level. This means the annualised rate of reduction from 2019 is 20%, well above the annual target of 7.6%.

2023 saw falls in WACI across all portfolios and an additional improvement wasseen from the full disinvestment by the Fund from the Emerging Markets Equities portfolio which had a high WACI relative to the other portfolios.

Whilst the Fund does not have a specific fossil fuel reserves exposure reduction target, it does support seeking to reduce exposure over time, in line with our commitment to be Net Zero by 2050.

One area that is important to track to understand if the Fund is making progress towards its Net Zero target is to calculate its investments into companies delivering the green products and services driving the transition to a low carbon economy. Following on from last year's pilot FTSE Russell have assessed a number of Brunel's portfolios for their exposure to green revenues vs their benchmark, see table below:

Portfolio	Green revenues	Benchmark green revenues
Active Global High Alpha Equity	9.1%	7.7%
Active Emerging Markets Equity	9.5%	9.1%
Active UK Equity	3.4%	4.2%
Passive World Developed Equity PAB Index	12.2%	7.7%
Active Global Sustainable Equity	13.1%	7.9%
Sterling Corporate Bonds	7.0%	9.4%

As the table shows all of the portfolios apart from the Active UK Equity and Sterling Corporate Bonds are ahead of their benchmarks, with the Passive World Developed PAB Index and the Active Global Sustainable Equity portfolios showing significant outperformance.

Climate Change Policy Implementation Plan Progress

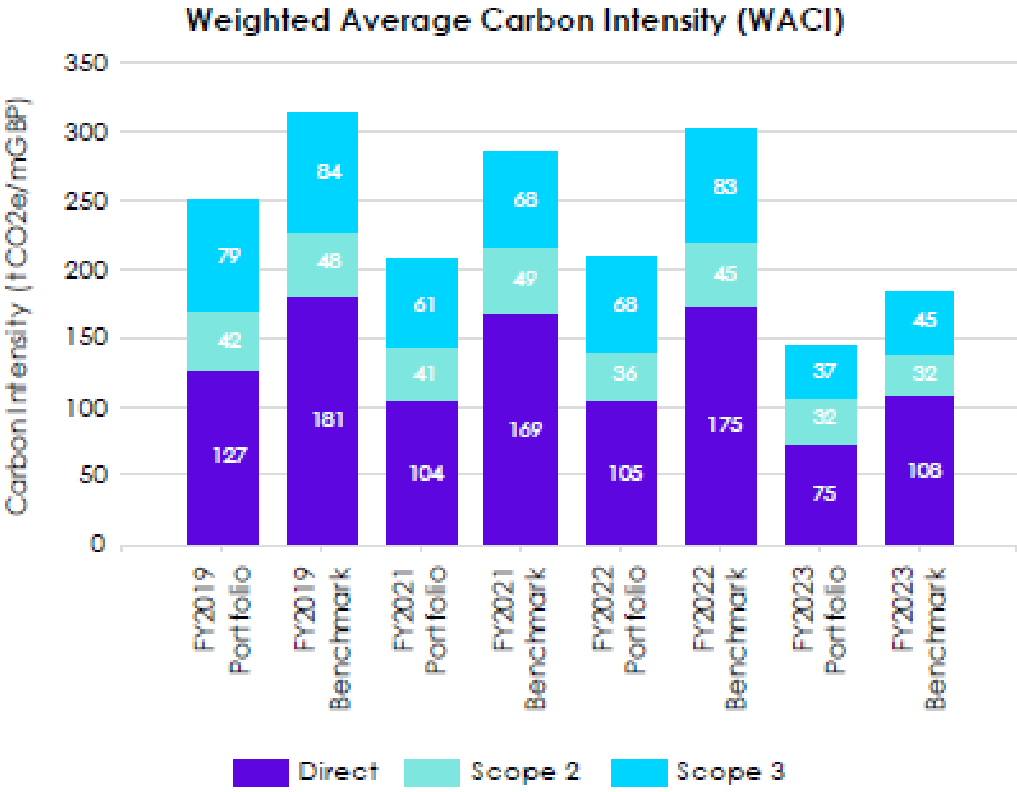
The table below gives a high-level status on progress against the various actions identified as required to deliver the Climate Change policy Implementation plan.

Activity	Status	Notes
Target a 7.6% annual reduction in GHG emissions across its investment portfolios using WACI as a metric	On target	Currently delivering a 20% annual reduction using WACI as a metric.
Work with Brunel to establish whether alternative portfolios are available that better deliver on the Policy than current options	On target	Passive funds moved to PAB index; rebalancing of equity towards Global Sustainable and Passive FTSE PAB portfolios
Consider the renewable infrastructure weighting when making future allocations to the Brunel Infrastructure portfolio	On target	Infrastructure funds Cycle 2 and 3 have higher renewables weighting. Exploring investment into a specific climate solutions portfolio
Investigate an appropriate metric for measuring the proportion of assets invested in climate mitigation and adaptation	On target	Green revenues data now available for equity, bonds and infrastructure portfolios
Work with Brunel to set appropriate targets and measures of success in relation to engagement activity undertaken on the Fund's behalf	On target	The Fund supports the use of internationally recognised standards and frameworks such as the Transition Pathway Initiative as the basis for engagement
The effectiveness of the engagement approach operated by Brunel will be formally reviewed as part of the 2022 stocktake of their Climate Change Policy and the Pension Fund will contribute to this review.	On target	New engagement plan agreed with Brunel and other clients that will see companies required to meet CA100+ criteria, that will tighten over time, or ultimately face exclusion from investment portfolios.
Work with Brunel to identify or develop appropriate metrics, across all investment portfolios, to monitor the successful implementation of the Policy.	On target	Climate metrics report is a useful tool for measuring implementation of the policy. Also working with Brunel to develop metrics on green revenues and widening of coverage to all asset classes.
Consider joining investor groups whose aims align with those of the Pension Fund's Climate Change Policy.	On target	Member of the IIGCC, Climate Action 100+ and the Local Authority Pension Fund Forum
Investigate options for portfolio scenario analysis based on different climate change scenarios so that this can be incorporated in the next fundamental asset allocation review in 2023.	Under target	Working with Brunel on developing scenario analysis for all investment portfolios/asset classes
Pension Fund to be carbon neutral on its own operations by 2030.	On target	Working with the Oxfordshire County Council Net Zero team to benchmark current operations

Emissions Reduction Target

The Fund's Climate Change Policy Implementation Plan set a target to reduce greenhouse gas emissions by 7.6% per annum based on the 2019 UN Environment Programme annual Emissions Gap Report. This was set to be consistent with the Fund's Policy commitment to be aligned to the 1.5°C temperature goal of the Paris Agreement with limited or no overshoot.

The chart below shows the Fund's Weighted Average Carbon Intensity (WACI) between 31 December 2019 and 31 December 2023. The Fund achieved **a reduction over the three-year period of 31% and an annualized rate of reduction of 20%.**



While the Fund does not have a target for reductions in exposure to fossil fuel reserves this reduced by 60% from the 2022 level and has reduced by 83% since 2019.

The Fund recognises that there are a range of different metrics to assess emissions related to investment portfolios all of which have their own merits and drawbacks. At present the Fund is reporting on WACI (as recommended by TCFD) as this can be used across all listed portfolios, irrespective of allocations and therefore can be decision-useful in assessing the relative carbon emission efficiency (per million pounds) of portfolios when attributing the impacts of strategic asset allocation decisions.

However, WACI has limitations in being used to assess progress against the Fund's emissions reduction target, principally because it is an efficiency measure and so while efficiency may improve this does not mean actual emissions are necessarily reducing. The Fund's investment in the Brunel Sustainable Equities portfolio can also have a short-term impact on WACI performance as the managers in the portfolio are actively targeting investments in companies who are at the forefront of the energy and industrial transition to Net Zero. These are leaders in challenging and difficult-to-abate sectors. These sectors inevitably have a higher carbon intensity today than companies in most other sectors, whose own transition journey is dependent on such companies. For example, one such company in the portfolio is Waste Management Inc. which is a waste and environmental services company operating in the US.

An additional issue across all metrics is the use of scope 3 emissions where data quality and double counting factors, when using full scope 3 emissions, make its use challenging. At present the Fund's WACI data includes Scope 1, Scope 2, and first tier Scope 3 emissions (upstream emissions).

It is important that the Fund continues to work with Brunel to monitor and develop metrics such as fossil fuel reserves exposure, overall carbon emissions and green revenue exposure to be able to give a more granular and rounded assessment of progress towards its Net Zero target.

Other Implementation Plan Items

The Fund's Implementation Plan sets out several actions over the near-term that management has determined will enable it to deliver on its Climate Change Policy. Progress against each of these is summarised below.

Work with Brunel to establish whether alternative passive, or similar, equity funds are available that better deliver on the Policy than current options available to the Fund.

Brunel worked closely with leading index provider FTSE Russell to develop two indexes that met the EU criteria to be classified as a Climate Transition Benchmark or a Paris Aligned Benchmark. These indexes were made available for investment in November 2021. The Pension Fund Committee made a decision to move the Fund's full passive holdings of c.£530m to the Paris Aligned Benchmark fund putting it among the first group of investors to invest in the index. Of the two funds developed the Paris Aligned Benchmark has stricter climate criteria and effectively excludes fossil fuel companies from the index. The Fund has also been rebalancing some of its active equity funds away from portfolios with higher fossil fuel reserves exposure towards the Global Sustainable Equity and the Passive FTSE PAB Index portfolio, where exposure to reserves is lower and green revenues higher.

Consider the renewable infrastructure weighting when making future allocations to the Brunel Infrastructure portfolio.

Brunel has removed the renewable infrastructure sleeve from its cycle 3 infrastructure portfolio and as such the Pension Fund is not able to separately allocate to renewables within its infrastructure allocations. However, the infrastructure portfolio specification states that a majority of the portfolio will seek to deliver climate solutions and a just energy transition to a lower carbon global economy.

To enable the Pension Fund to set targets for investments in Climate Solutions and have control over this the Fund is seeking the development of a Climate Solutions Portfolio to enable it to make specific allocations to climate solutions. Initial meetings between Brunel and the client funds have taken place on the development of this portfolio.

Investigate an appropriate metric for measuring the proportion of assets invested in climate mitigation and adaptation.

The Fund continues to work with Brunel in developing an appropriate metric or set of metrics and determining the criteria used to identify investments in climate mitigation and adaptation. This links to wider work being undertaken by various governments including the EU who have developed an EU Green Taxonomy and the UK which has established a Green Technical Advisory Group to advise the government on the establishment of a UK taxonomy that sets the criteria for an investment to be defined as environmentally sustainable.

In order for the Fund to set targets it first needs to be able to establish the current level of investments in climate solutions/green revenues. Once a baseline has been established then the percentage increase over time of investments by the Fund into companies contributing to the low carbon transition of the economy can be tracked and reported on.

FTSE Russell produced a 2022 paper on green revenues exposure of equity portfolios in a 1.5°C scenario. According to this analysis a 1.5°C Paris aligned calculation (low case) calls for:

- 12% green economy exposure of the listed equity market by 2023.
- By 2030 this should be 20%
- By 2050 this should be 25%
- Therefore exposure is heavily front-loaded in order to mitigate temperature rises above 1.5°C.

Brunel have carried out an initial review in December 2022 and calculated the Weighted Absolute Value (£) of Green Revenues of the Fund's equity and bond portfolios using the FTSE Russell green revenues methodology. On this basis it is estimated that the Fund's exposure to green revenues as at December 2022 was £138,798,772.70, as a percentage of total investment into bonds and equity this equals 8.1%. Brunel have also calculated the green revenues from the Stepstone managed private market infrastructure portfolios, which are equivalent to £40,000,000 out of a total investment into those funds of £53,000,000. If we add these two together that translates into 10.1% of total investment into bonds, equity and infrastructure private markets.

Whilst this figure is slightly below the likely required green revenues exposure, estimated to be at around 12%, it is important to note that the calculation did not include investments into other asset classes including private equity and property where the percentage may well be higher. Going forwards we will work with Brunel to develop a metric for green revenues that includes the Fund's investments into all asset classes.

The Pension Fund will work with Brunel to set appropriate targets and measures of success in relation to engagement activity undertaken on the Fund's behalf.

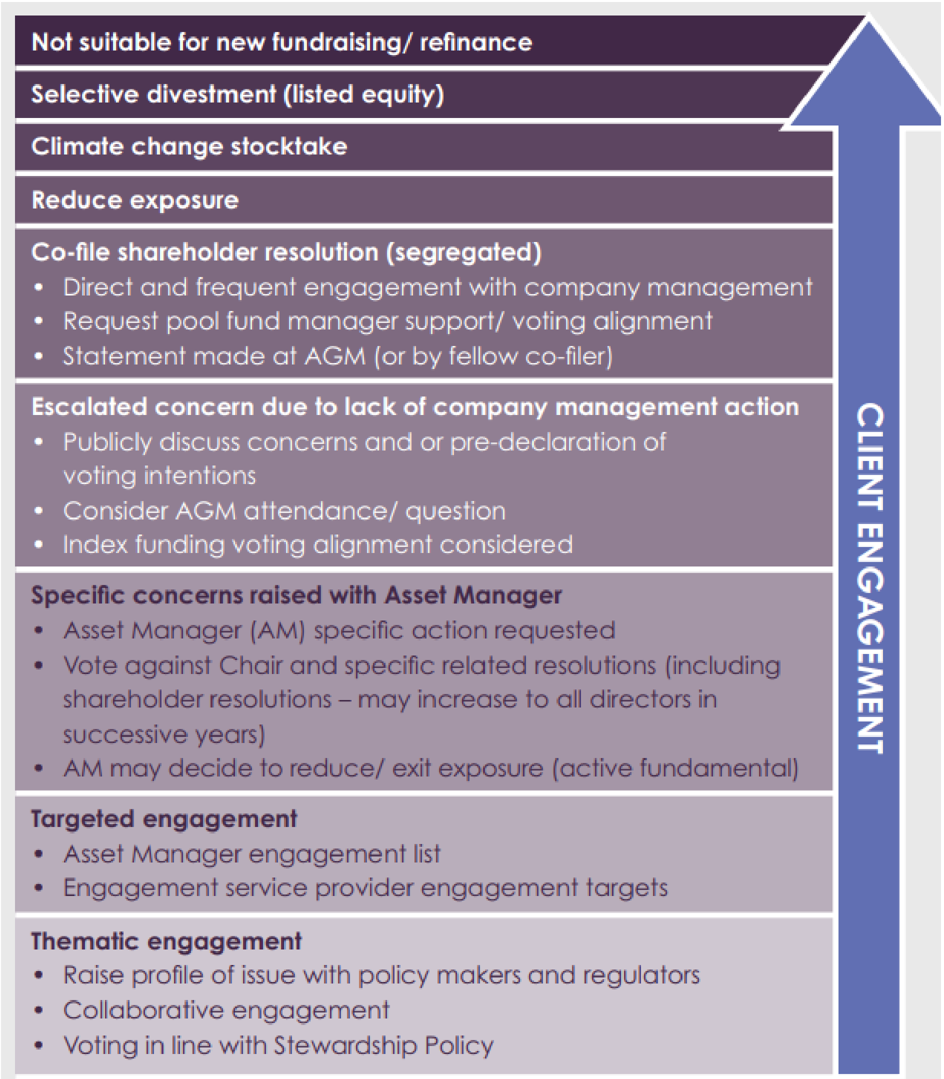
Brunel has three main strategies that it uses to persuade companies and other entities to act on climate change, namely: (a) direct engagement, including voting its shareholdings, (b) collaborative engagement, in particular through Climate Action 100+ (CA100+), and (c) engagement via its investment managers.

In relation to company engagement, Brunel expects companies in high-emitting sectors to publish their climate transition action plan, and to annually disclose emissions and progress against their commitments and targets. These expectations apply across all of the asset classes that Brunel invests in. In listed equities (and fixed income, in cases where investors are granted formal voting rights), Brunel has built these expectations into its voting policy.

Brunel will vote against the re-election of the company Chair where:

• Oil & Gas, Utilities, and all European companies have not at least reached Level 4 of the Transition Pathway Initiative (TPI) framework
• A company has not reached level 3 of the TPI framework for the US and Asia, or where the TPI score has fallen from level 4
• A company's strategy is materially misaligned with the goals of the Paris Agreement
• A company's strategy is misaligned to Net Zero ambitions

In cases where escalation is necessary Brunel has the following approach:



The effectiveness of the engagement approach operated by Brunel will be formally reviewed as part of the 2022 stocktake of their Climate Change Policy and the Pension Fund will contribute to this review.

A key component of the engagement approach is to encourage companies to set plans and objectives to align with net-zero.

Brunel provides updates on the engagements with companies every quarter and more detailed analysis on an annual basis in the Responsible Investment and Stewardship Outcomes Report.

In 2023 Brunel engaged with 805 companies on 1,321 milestones. Of these engagements 664 were on environmental issues.

As part of the Pension Fund's input into the stocktake it agreed an Engagement Policy. The policy focuses on companies with the highest emissions; those covered by CA100+. A series of measures are set out in the policy with target dates for achievement, failure to meet the criteria will lead to the potential exclusion of a company.

During 2023/24 following discussions between client funds and Brunel a more ambitious set of criteria were agreed for Brunel's climate policy that much more closely align with those Oxfordshire adopted. These criteria are now in effect and will be reviewed annually to agree a ratcheting up of the requirements companies need to meet or face exclusion from portfolios.

Work with Brunel to identify, or develop if not available, appropriate metrics, across all investment portfolios, to monitor the successful implementation of the Policy.

Work on metrics is ongoing and is expected to be an evolving process that incorporates developments in available data with the aim of increasing the accuracy and relevance of metrics as well as increasing the level of portfolio coverage. Brunel are now able to provide an annual set of climate metrics for the Funds equity and bond holdings. We now also have access to green revenues data for some of the private market funds too. Going forwards we will work with Brunel to extend the green revenues data across all investment classes to help better understand the positive impact of the Fund's investments into the transition towards a low carbon economy.

While metrics are available for listed equities and bonds there is currently a lack of data available for the majority of other assets particularly in a format that allows aggregation at portfolio level. There are some industry developments in this area that could be useful to the Fund, for example the Carbon Risk Real Estate Monitor that has been developed for real estate assets.

Brunel are working with their private market managers to produce climate data that can be used to measure alignment with climate goals.

This is also an area being looked at by the IIGCC as part of their Net Zero Investment Framework and the Fund will monitor the outputs from this work and its applicability to the Pension Fund's investments.

Consider the merits of joining investor groups whose aims align with those of the Pension Fund as set out in the Policy.

The Fund continues to be a member of The Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+ and the Local Authority Pension Fund Forum. In February 2021 the Fund signed the IIGCC's Paris Aligned Investments Initiative: Net Zero Asset Owner Commitment, joining other global investors in committing to investing in support of the goal of global net zero emissions by 2050.

In 2022 the Pension Fund was a signatory to The Investor Agenda's 2022 Global Investor Statement to Governments on the Climate Crisis calling on governments to set targets and take policy action aligned with the goal of limiting global temperature rises to 1.5°C.

Investigate options for portfolio scenario analysis based on different climate change scenarios so that this can be incorporated in the next fundamental asset allocation review in 2023.

The draft government guidance by DLUHC on TCFD implementation proposes to place a new duty on LGPS Administering Authorities (AAs) to assess their assets, liabilities, investment strategy and funding strategy against climate risks and opportunities in at least two climate scenarios. This assessment must include at least one scenario based on a global temperature rise of 2°C or lower on pre-industrial levels. This assessment must occur at least once every valuation cycle. In interim years, AAs must consider whether any changes in the fund have been substantial enough to require scenario analysis to be repeated.

The Fund has not yet undertaken a scenario analysis exercise and acknowledges that this is a developing area. The Fund recognises the value of scenario analysis based on different climate scenarios and has committed to undertaking an exercise in its Implementation Plan, the results of which are to be incorporated into the Fund's fundamental asset allocation review process. Any scenario analysis would be intended to consider both the asset and liability implications for the Fund.

Given that the intention is for all investments to take place via Brunel's portfolios, it makes sense for the Fund's scenario planning to be based upon scenario planning carried out by Brunel. This work by Brunel is due to take place in late 2024. As such, it is the aim of the Fund to include scenario planning based on the modelling carried out by Brunel in the next cycle of TCFD reporting.

As well as addressing the Pension Fund's investments the Policy also sets a target for the Pension Fund to be carbon neutral on its own operations by 2030.

The Fund continues to work within Oxfordshire County Council's wider goal to achieve net zero emissions by 2030 across the whole organisation of which the Pension Fund is part. The Fund intends to report data on this and actions taken in future updates.

Case study

Below is an example of how climate change is being integrated into the investment process within the Pension Fund's investments.

Renewable Infrastructure Investment

During 2023 a decision was taken to allocate funds to energy transition projects with a local element to them. There was a risk that political considerations could lead to preference of one project over another, rather than the decision being based purely on whether the project delivered risk adjusted returns whilst also *contributing to the energy transition. To avoid such a potential conflict of interest a decision was taken that the funds to be allocated should be invested by an asset manager with a strong track record of providing funds that met the key requirements of risk control and impact. After a process of due diligence Schroders Greencoat was selected by the group of Brunel client funds looking to allocate monies to this area. The asset manager developed the Wessex Gardens fund so that it enabled the investors to invest into a portfolio of assets, including local energy transition projects. Oxfordshire invested £30m out of a total capitalisation of £330m.*

The Fund's Responsible Investment Officer sits on the LPAC (Limited Partner Advisory Committee) for the Wessex Garden Fund. Often key investment decisions proposed by the managers require a vote of consent from the LPAC members to approve. As relates to stewardship, The Fund' presence on LPAC is a key way in which the Fund is able to advocate for its views on responsible investment and sustainability matters.

Other Material

Employer Discretions

Pension Services can supply employers with related pension costs which would result following an employer's action on a discretionary policy. The employer's written decisions are required before pension services will take action in any circumstance which could incur additional cost, unless it is clear from an employer's current written policy statement that the decision is in accordance with that statement. For example, some employers will allow late transfers without further consideration while others need to make individual decisions.

Fund Account for the Year Ended 31 March 2024			
	Notes	2024 £'000	2023 £'000
Contributions and Benefits			
Contributions Receivable	6	-135,929	-114,312
Transfers from Other Schemes	7	-17,260	-14,980
Other Income		-21	-22
Income Sub Total		**-153,210**	**-129,314**
Benefits Payable	8	114,793	103,572
Payments to and on Account of Leavers	9	12,131	10,681
Expenditure Sub Total		**126,924**	**114,253**
Net (Additions)/Withdrawals From Dealings With Members		**-26,286**	**-15,061**
Management Expenses	10	22,676	16,857
Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses		-3,610	**1,796**
Returns on Investments			
Investment Income	11	-24,257	-20,338
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments	14a	-343,413	138,543
Less Taxes on Income	11	-2	14
Net returns on Investments		**-367,672**	**118,219**
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		**-371,282**	**120,015**
Opening Net Assets of the Scheme		3,170,152	3,290,167
Closing Net Assets of the Scheme		**3,541,434**	**3,170,152**

Net Assets as at 31 March 2024			
	Notes	2024 £'000	2023 £'000
Investment Assets			
Equities	14b	177,643	145,099
Pooled Investments	14b	2,967,703	2,684,400
Pooled Property Investments	14b	315,717	276,454
Derivative Contracts	14c	0	0
Cash Deposits	14d	5,753	11,952
Other Investment Balances	14d	2,093	1,888
Long-Term Investment Assets	14b	840	840
Investment Liabilities			
Derivative Contracts	14c	0	0
Other Investment Balances	14d	-4	-66
Total Investments		**3,469,745**	**3,120,567**
Assets and Liabilities			
Current Assets	15	74,514	51,818
Current Liabilities	16	-3,235	-2,643
Net Current Assets		**71,279**	**49,175**
Long-Term Assets	17	410	410
Net Assets of the scheme available to fund benefits at year end		**3,541,434**	**3,170,152**

The Fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 26.

Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2023/24 Annual Report and in the underlying statutes.

General

The Oxfordshire County Council Pension Fund is part of the Local Government Pension Scheme which is a statutory, funded, defined benefit pension scheme. Oxfordshire County Council is the administering body for this pension fund. The scheme covers eligible employees and elected members of the County Council, District Councils within the county area and employees of other bodies eligible to join the Scheme.

The scheme is governed by the Public Service Pensions Act 2013 and is administered in accordance with the following secondary legislation:

- The Local Government Pension Scheme Regulations 2013 (as amended)

- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

This defined benefit scheme provides benefits related to salary for its members. Pensions paid to retired employees, their dependants, and deferred benefits are subject to mandatory increases in accordance with annual pension increase legislation. The amount is determined by the Secretary of State.

Membership
The majority of fund employers are required to automatically enrol eligible jobholders into the LGPS under the government's auto-enrolment legislation, employees may then choose to opt-out of the scheme. Some employers will have the option of whether to auto-enrol eligible jobholders into the LGPS or another qualifying scheme.

Members are made up of three main groups. Firstly, the contributors - those who are still working and paying money into the Fund. Secondly, the pensioners - those who are in receipt of a pension and thirdly, by those who have left their employment with an entitlement to a deferred benefit on reaching pensionable age.

Organisations participating in the Oxfordshire County Council Pension Fund include:
- Scheduled Bodies – Local authorities and similar bodies, such as academies, whose staff are automatically entitled to become members of the Fund.
- Admitted Bodies – Organisations that participate in the Fund under an admission agreement between the Fund and the organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.
- Admitted Bodies can be split in to two groups:
  - Community Admission Bodies – these are typically employers that provide a public service on a not-for-profit basis and often have links to scheduled bodies already in the Fund. Housing Corporations fall under this category.
  - Transferee Admission Bodies – these are bodies that provide a service or asset in connection with the exercise of a function of a scheme employer. Typically this will be when a service is transferred from a scheme employer and is to allow continuing membership for staff still involved in the delivery of the service transferred.

Full definitions are contained in The Local Government Pension Scheme (Administration) Regulations 2008.

The table below details the composition of the Fund's membership:

	As at 31 March 2024	As at 31 March 2023
Number of Contributory Employees in Scheme		
Oxfordshire County Council	8,375	8,512
Other Scheduled Bodies	13,391	12,643
Admitted Bodies	442	433
	22,208	**21,588**
Number of Pensioners and Dependants		
Oxfordshire County Council	10,858	10,447
Other Scheduled Bodies	7,267	6,855
Admitted Bodies	1,263	1,210
	19,388	**18,512**
Deferred Pensioners		
Oxfordshire County Council	16,303	16,268
Other Scheduled Bodies	14,137	13,623
Admitted Bodies	1,243	1,265
	31,683	**31,156**

Unprocessed leavers are included as Deferred Pensioners.

Funding
The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2024 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The latest actuarial valuation took place in 2022 and determined the contribution rates to take effect from 01 April 2023. Employer contribution rates currently range from 9.6% to 37.3% of pensionable pay.

Benefits
Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below.

	Service Pre 1 April 2008	**Service Post 31 March 2008**
Pension	Each full-time year worked is worth 1/80 × final pensionable salary.	Each full-time year worked is worth 1/60 × final pensionable salary.
Lump Sum	Automatic lump sum of 3 × pension. In addition, part of the annual pension can be exchanged for	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12

	a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	is paid for each £1 of pension given up.

From 1 April 2014 the scheme became a career average scheme, where members accrue benefits based on their pensionable pay in any given year at an accrual rate of 1/49th. Accrued pension is indexed annually in line with the Consumer Prices Index. The normal retirement age is linked to each individual member's State Pension Age.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits. Scheme members are now also able to opt to pay 50% of the standard contributions in return for 50% of the pension benefit.

Note 2 – Basis of Preparation

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 21.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 24.

The accounts have been prepared on a going concern basis. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the 2022 valuation was 111%. Therefore, management are assured the pension fund remains a going concern.

Note 3 – Summary of Significant Accounting Policies

Investments

1. Investments are shown in the accounts at market value, which has been determined as follows:

   (a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last traded price, as at 31 March 2024.

   (b) Unlisted securities are included at fair value, estimated by having regard to the latest dealings, professional valuations, asset values and other appropriate financial information.

   (c) Pooled Investment Vehicles are stated at bid price for funds with bid/offer spreads, or single price where there are no bid/offer spreads, as provided by the investment manager.

   (d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2024.

   (e) Fixed Interest stocks are valued on a 'clean' basis (i.e. the value of interest accruing from the previous interest payment date to the valuation date has been included within the amount receivable for accrued income).

   (f) Derivatives are stated at market value. Exchange traded derivatives are stated at market values determined using market quoted prices. For exchange traded derivative contracts which are assets, market value is based on quoted bid prices. For exchange traded derivative contracts which are liabilities, market value is based on quoted offer prices.

   (g) Forward foreign exchange contracts are valued by determining the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.

   (h) All gains and losses arising on derivative contracts are reported within 'Changes in Market Value of Investments'.

Foreign Currencies

2. Balances denominated in foreign currencies are translated at the rate ruling at the net assets statement date. Asset and liability balances are translated at the bid and offer rates respectively. Transactions denominated in foreign currencies are translated at the rate ruling at the date of transaction. Differences arising on investment balance translation are accounted for in the change in market value of investments during the year.

Contributions

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions.

Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date.

Employers' pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

The Actuary determines the contribution rate for each employer during the tri-ennial valuations of the Fund's assets and liabilities. Employees' contributions have been included at rates required by the Local Government Pension Scheme Regulations.

Benefits, Refunds of Contributions and Transfer Values

4. Benefits payable and refunds of contributions have been brought into the accounts on the basis of all amounts known to be due at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities. Transfer values are those sums paid to, or received from, other pension schemes and relate to periods of previous pensionable employment. Transfer values have been included in the accounts on the basis of the date when agreements were concluded.

   In the case of inter-fund adjustments provision has only been made where the amount payable or receivable was known at the year-end. Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2024.

Investment Management and Scheme Administration

6. A proportion of relevant County Council officers' salaries, including salary on-costs, have been charged to the Fund on the basis of time spent on scheme administration and investment related business. The fees of the Fund's general investment managers have been accounted for on the basis contained within their management agreements. Investment management fees are accounted for on an accruals basis.

Expenses

7. Expenses are accounted for on an accruals basis.

Cash

8. Cash held in bank accounts and other readily accessible cash funds is classified under cash balances as it is viewed that these funds are not held for investment purposes but to allow for effective cash management. Cash that has been deposited for a fixed period and as such as an investment, has been included under cash deposits.

Listed Private Equity

9. The fund holds a number of investments in listed private equity companies. These are included under equities as the investment is in a company that undertakes private equity related activities rather than an investment in a specific fund that makes private equity investments. This is consistent with the treatment of other equity investments as the fund does not split out any other categories from within equities, for example retail stocks.

Management Fees

10. Management fees have been accounted for based on the latest guidance from the Chartered Institute of Public Finance & Accountancy. Fees have been accounted for where the pension fund has a direct contractual obligation to pay them. This means where fees are deducted in a pooled fund they have been accounted for, but in a fund of funds the fees for the underlying funds are not included only those the pension fund pays to the fund of funds manager.

Note 4 – Critical Judgements in Applying Accounting Policies

Unquoted Private Equity Investments

Determining the fair value of unquoted private equity investments is highly subjective in nature. Unquoted private equity investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2024 was £496.162m (£389.596m at 31 March 2023).

Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 24. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key judgements and estimation uncertainties that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:-

Item	Uncertainties	Potential Impact
Actuarial Present Value of Promised Retirement Benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets. The fund engages an actuarial firm to provide expert advice on the assumptions to be applied.	The actuarial present value of promised retirement benefits included in the financial statements is £3,290m. There is a risk that this figure is under, or overstated in Note 24 to the accounts. Sensitivities to the key assumptions are as follows: A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£58m). A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£2m). A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£60m). A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£132m).
Unquoted Private Equity	Unquoted private equity and infrastructure investments are valued at fair value using recognised valuation techniques. Due to the assumptions involved in this process there is a degree of estimation involved in the valuation.	Unquoted private equity, private debt and infrastructure investments included in the financial statements total £496.162m. There is a risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 25.

Note 6 - Contributions

	2023/24 £'000	2022/23 £'000
Employers		
Normal	-88,354	-75,718
Augmentation	0	0
Deficit Funding	-16,040	-8,721
Costs of Early Retirement	-207	-857
	-104,601	**-85,296**
Members		
Normal & Additional*	**-31,328**	**-29,016**
Total	**-135,929**	**-114,312**

*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 21.

Lump sum pre-payments in respect of contributions for the period 01/04/23-31/03/26 totalling £10.780m were received during 2023/24.

Deficit recovery contributions are paid by employers based on the maximum 22 year recovery period set out in the Funding Strategy Statement. Where appropriate, the Actuary has shortened the recovery period for some employers to maintain as near stable contribution rates for those employers, in line with the Regulations.

	Employer Contributions		Members Contributions	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Oxfordshire County Council	-38,227	-36,321	-12,733	-12,072
Scheduled Bodies	-58,818	-41,908	-16,052	-14,468
Resolution Bodies	-5,161	-4,191	-1,652	-1,623
Community Admission Bodies	-1,168	-1,490	-401	-373
Transferee Admission Bodies	-1,227	-1,386	-490	-480
Total	**-104,601**	**-85,296**	**-31,328**	**-29,016**

Note 7 - Transfers In

	2023/24 £'000	2022/23 £'000
Individual Transfers In from other schemes	-17,260	-14,980
Group Transfers In from other schemes	0	0
Total	-17,260	**-14,980**

Note 8 - Benefits

	2023/24 £'000	2022/23 £'000
Pensions Payable	95,768	85,687
Lump Sums – Retirement Grants	16,071	14,892
Lump Sums – Death Grants	2,954	2,993
Total	**114,793**	**103,572**

	Pensions Payable		Lump Sums	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Oxfordshire County Council	46,254	41,566	6,933	7,827
Scheduled Bodies	41,255	37,041	8,897	7,509
Resolution Bodies	1,706	1,343	1,822	1,171
Community Admission Bodies	5,042	4,467	996	844
Transferee Admission Bodies	1,511	1,270	377	534
Total	**95,768**	**85,687**	**19,025**	**17,885**

Note 9 - Payments to and on account of leavers

	2023/24 £'000	2022/23 £'000
Refunds of Contributions	652	218
Payments for members joining state scheme	-3	-2
Group Transfers Out to other schemes	0	0
Individual Transfers Out to other schemes	11,482	10,465
Total	**12,131**	**10,681**

Note 10 - Management Expenses

	2023/24 £'000	2022/23 £'000
Administrative Costs	2,906	2,086
Investment Management Expenses	18,140	12,803
Oversight & Governance Costs	1,630	1,968
Total	**22,676**	**16,857**

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.025m (2022/23 £0.025m) for the audit of the Pension Fund's Annual Report and Accounts.
A further breakdown of Investment Management Expenses is in Note 12.

Note 11 - Investment Income

	2023/24 £'000	2022/23 £'000
Bonds	0	-578
Equity Dividends	-4,295	-4,084
Pooled Property Investments	-7,061	-6,877
Pooled Investments – Unit Trusts & Other Managed Funds	-10,034	-7,744
Interest on cash deposits	-2,867	-1,055
	-24,257	**-20,338**
Irrecoverable withholding tax - equities	-2	14
Total	**-24,259**	**20,324**

Note 12 - Investment Management Expenses

	2023/24 £'000	2022/23 £'000
Management Fees	18,091	12,751
Custody Fees	49	52
Total	**18,140**	**12,803**

Investment Management & Custody Fees are generally calculated on a fixed scale basis with applicable rates applied to the market value of the assets managed. See Note 3 for details of the accounting treatment of management fees.

Note 13 - Related Party Transactions

The Pension Fund is required to disclose material transactions with related parties, and bodies or individuals that have the potential to control or influence the Pension Fund, or to be controlled or influenced by the Pension Fund. Disclosure of these transactions allows readers to assess the extent to which the Pension Fund might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Pension Fund.

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2023/24, the Committee consisted of five County Councillors (voting members), four employer representatives and a scheme member representative. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.126m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

	2023/24 £'000	2022/23 £'000
Short Term Benefits*	108	106
Long Term/Post Retirement Benefits	**18**	17
Total	**126**	**123**

*Includes allowances paid to the Chairman of the Pension Fund Committee

These figures represent the relevant proportion of the salary and employer pension contributions for the key Council staff, reflecting their work for the Pension Fund

As the County Council is the designated statutory body responsible for administrating the Oxfordshire Pension Fund, it is a related party.

For the 12 months ended 31 March 2024, employer contributions to the Pension Fund from the County Council were £38.227m (2022/23 £36.321m). At 31 March 2024 there were receivables of in respect of contributions due from the County Council of £4.289m (2022/23 £4.049m) and payables due to the County Council of £0.187m (2022/23 £0.336m).

The County Council was reimbursed £1.936m (2022/23 £1.682m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund

Brunel Pension Partnership Ltd (Company Number 10429110)

Brunel Pension Partnership Ltd (BPP Ltd) was formed on the 14th October 2016 and oversees the investment of pension fund assets for the following LGPS funds: Avon, Buckinghamshire. Cornwall, Devon, Dorset, Environment Agency, Gloucestershire, Oxfordshire, Somerset, and Wiltshire.

Each of the nine Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

	2023/24 £'000	2022/23 £'000
Income	0	0
Expenditure	1,313	1,182
Receivables	0	0
Payables	0	0

Note 14 - Investments

	Value at 31.3.2024 £'000	Value at 31.3.2023 £'000
Investment Assets		
Equities	177,643	145,099
Pooled Funds:		
- Fixed Income	135,566	152,779
- Index Linked	229,819	167,642
- Global Equity	1,596,696	1,226,423
- UK Equity	359,128	497,259
- Private Equity	246,528	218,892
- Private Debt	68,410	40,443
- Infrastructure Funds	181,224	130,261
- Diversified Growth Fund	0	116,201
- Multi Asset Credit Fund	150,332	134,500
Pooled Property Investments	315,717	276,454
Cash Deposits	5,753	11,952
Long-Term Investments	840	840
Investment Income Due	1,979	1,888
Amounts Receivable for Sales	114	0
Total Investment Assets	**3,469,749**	**3,120,633**
Investment Liabilities		
Management Expenses Due	-4	-66
Amounts Payable for Purchases	0	0
Total Investment Liabilities	**-4**	**-66**
Net Investment Assets	**3,469,745**	**3,120,567**

Note 14a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2023	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables/ (Payables)	Value at 31 March 2024
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Equities	145,099	3,319	-16,279	45,504			177,643
Pooled Investments	2,684,400	500,902	-533,351	315,752			2,967,703
Pooled Property Investments	276,454	100,158	-43,227	-17,668			315,717
Long-Term Investments	840	0	0	0			840
Derivative Contracts FX	0	2		-2			0
Futures	0	0		0			0
Other Investment Balances							
Cash Deposits	11,952	33,565	-39,470	-173	-121		5,753
Amounts Receivable for Sales of Investments	0	0	0	0		114	114
Investment Income Due	1,888	0	0	0		91	1,979
Amounts Payable for Purchases of Investments & Management Expenses	-66	0	0	0		62	-4
Total	**3,120,567**	**637,946**	**-632,327**	**343,413**	**-121**	**267**	**3,469,745**

Transaction costs are borne by the scheme in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

There have been no employer-related investments at any time during the year.

	Value at 1 April 2022	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables/ (Payables)	Value at 31 March 2023
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Bonds	80,934	34,495	-98,362	-17,067			0
Equities	164,113	2,813	-12	-21,815			145,099
Pooled Investments	2,684,178	120,155	-90,803	-29,130			2,684,400
Pooled Property Investments	273,869	108,030	-32,974	-72,471			276,454
Long-Term Investments	840						840
Derivative Contracts							
FX	-428	2,299	-1,687	-184			0
Futures	203	3,248	-5,133	1,682			0
Other Investment Balances							
Cash Deposits	6,626	62,228	-56,215	441	-1,128		11,952
Amounts Receivable for Sales of Investments	34	0	0			-34	0
Investment Income Due	2,134	0	0	1		-247	1,888
Amounts Payable for Purchases of Investments & Management Expenses	-548	0	0	0		482	-66
Total	**3,211,955**	**333,268**	**-285,186**	**-138,543**	**-1,128**	**201**	**3,120,567**

Note 14b - Analysis of Investments (Excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

Long-Term Investments Assets

	2023/24 £'000	2022/23 £'000
Brunel Pension Partnership Ltd	840	840
Total	**840**	**840**

Equity Investments

	2023/24 £'000	2022/23 £'000
UK Equities	177,319	135,423
Overseas Listed Equities:		
North America	0	9,343
Europe	324	333
Total	**177,643**	**145,099**

Pooled Investment Vehicles

	2023/24 £'000	2022/23 £'000
UK Registered Managed Funds - Property	105,841	86,893
Non UK Registered Managed Funds - Property	51,895	49,637
UK Registered Managed Funds - Other	2,346,147	2,044,102
Non UK Registered Managed Funds - Other	621,556	640,298
UK Registered Property Unit Trusts	99,305	97,605
Non UK Registered Property Unit Trusts	58,676	42,319
Total	**3,283,420**	**2,960,854**

Total Investments (excluding derivative contracts, Cash Deposits and Other Investment Balances)

	2023/24 £'000	2022/23 £'000
	3,461,903	**3,106,793**

Note 14d - Other Investment Balances

	2023/24 £'000	2022/23 £'000
Receivables		
Sale of Investments	114	0
Dividend & Interest Accrued	1,750	1,659
Inland Revenue	229	229
	2,093	**1,888**
Payables		
Purchase of Investments	0	0
Management Fees	-4	-61
Custodian Fees	-4	-5
	0	**-66**
Total	2,089	1,822

Cash Deposits

	2023/24 £'000	2022/23 £'000
Non-Sterling Cash Deposits	5,753	11,952
Total	**5,753**	**11,952**

The following investments represent more than 5% of the net assets of the scheme

	2023/24 £'000	% of Total Fund	2022/23 £'000	% of Total Fund
Brunel UK Equity Fund	359,128	10.14	497,259	15.69
FTSE PAB Developed Equity Index Fund	628,606	17.75	496,833	15.67
Brunel HG ALP GLB EQ	352,516	9.95	336,236	10.61
Brunel GBL Sustainable Mutual Fund	615,574	17.38	311,965	9.84
Blackrock Aquila Life Fund	229,819	6.49	140,978	4.45

Note 15 - Current Assets

	2023/24 £'000	2022/23 £'000
Receivables:		
Employer Contributions	7,828	6,853
Employee Contributions	2,627	2,331
Rechargeable Benefits	1,215	1,065
Transferred Benefits	2,115	1,883
Cost of Early Retirement	87	110
Inland Revenue	197	18
Other	1,525	222
Cash Balances	58,920	39,336
Total	**74,514**	**51,818**

Note 16 - Current Liabilities

	2023/24 £'000	2022/23 £'000
Transferred Benefits	-260	-186
Benefits Payable	-1,156	-865
Inland Revenue	-1,519	-1,190
Employer Contributions	-2	-1
Staff Costs	-155	-135
Consultancy	-21	-50
Other	-122	-216
Total	**-3,235**	**-2,643**

Note 17 - Long-Term Assets

	2023/24 £'000	2022/23 £'000
Employer Contributions	410	410
Total	**410**	**410**

Note 18 - Assets under External Management

The market value of assets under external fund management amounted to £3,217.788m as at 31 March 2024. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

	31/03/2024		31/03/2023	

Fund Manager	Market Value		Market Value	
	£'000	%	£'000	%
Brunel Pension Partnership	3,131,009	97.30	2,625,431	89.65
Legal & General	0	0	84,129	2.87
Insight	0	0	116,201	3.97
Adams Street Partners	57,317	1.78	63,600	2.17
Partners Group	29,462	0.92	39,314	1.34
Total	**3,217,788**	**100.00**	**2,928,675**	**100.00**

Note 19 - Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2024	£'000	% of Fund
HG Capital Trust Plc	92,471	2.61
Aberdeen Private Equity Opportunities Trust Plc	27,420	0.77
3i Group Plc	26,641	0.75
CT Private Equity Trust Plc	20,478	0.58
ICG Enterprise Trust Plc	10,128	0.29

Note 20 - Taxation

The scheme is a 'registered pension scheme' for tax purposes under the Finance Act 2004. As such the Fund is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. However, the Fund cannot reclaim certain amounts of withholding taxes relating to overseas investment income which are suffered in the country of origin.

Note 22 - Additional Voluntary Contributions

	Market Value 31 March 2024 £'000	Market Value 31 March 2023 £'000
Prudential	12,452	12,278

AVC contributions of £1.134m were paid directly to the Fund's AVC providers during the year (2022/23 - £1.044m).

The AVC provider to the Fund is Legal & General. The assets of these investments are held separately from the Fund. The AVC provider secures additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held in their account and the movements in the year. The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs their employer (the member body) sends them to Legal & General.

Note 22 - Contingent Liabilities and Capital Commitments

As at 31 March 2024 the fund had outstanding capital commitments (investments) totalling £237.493m (31 March 2023 - £313.060m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts 'called' by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

Note 23 – Investment Strategy Statement

Oxfordshire County Council Pension Fund has an Investment Strategy Statement. This is published in the Pension Fund Annual Report and Accounts which is circulated to all scheme employers and is also available on the Council's webpage.

Note 24 – Actuarial Present Value of Promised Retirement Benefits

	2024 £'000	2023 £'000
Present Value of Funded Obligation	3,290	3,278

The movement from March 2023 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £226m (2023 - £431m increase).
There has been a decrease in the present value of the Funded Obligation of £214m (2023 - £1,686m decrease) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- A decrease in the assumed level of CPI, and therefore pension increase, from 3.0% to 2.75% (net effect a decrease in Present Value of Funded Obligation)
- A decrease in the assumed level of salary increases from 3.0% to 2.75% (net effect a decrease in Present Value of Funded Obligation)
- An increase in the discount rate to 4.85% from 4.75% (net effect a decrease in Present Value of Funded Obligation).

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections.

There will therefore be a retrospective increase to members' benefits, which in turn will give rise to a past service cost for the Fund employers.

Quantifying the impact of the judgement at this stage is very difficult because it will depend on the compensation awarded, members' future salary increases, length of service and retirement age, and whether (and when) members withdraw from active service. Salary increases in particular can vary significantly from year to year and from member to member depending on factors such as budget restraint, job performance and career progression. The Government Actuary's Department (GAD) has estimated that the impact for the LGPS as a whole could be to increase active member liabilities by 3.2%, based on a given set of actuarial assumptions. A full description of the data, methodology and assumptions underlying these estimates is given in GAD's paper, dated 10 June 2019.

The Fund's actuary has adjusted GAD's estimate to better reflect the Oxfordshire County Council Pension Fund's local assumptions, particularly salary increases and withdrawal rates. The revised estimate is that total liabilities (i.e. the increase in active members' liabilities expressed in terms of the employer's total membership) could be 0.5% higher as at 31 March 2021, an increase of approximately £6m.

These numbers are high level estimates based on scheme level calculations and depend on several key assumptions.

Note 25 – Financial Instruments

Note 25a – Classification of Financial Instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

	2023/24			**2022/23**		
	Fair Value through Profit & Loss £'000	**Financial Assets at Amortised Cost £'000**	**Financial Liabilities at Amortised Cost £'000**	**Fair Value through Profit & Loss £'000**	**Financial Assets at Amortised Cost £'000**	**Financial Liabilities at Amortised Cost £'000**
Financial Assets						
Equities	177,643			145,099		
Pooled Investments	2,967,703			2,684,400		
Pooled Property Investments	315,717			276,454		
Derivatives	0			0		
Cash		64,673			51,288	
Long-Term Investments	840			840		
Other Investment Balances	1,864			1,659		
Receivables		1,003			96	
	3,463,767	**65,676**	**0**	**3,108,452**	**51,384**	**0**
Financial						

Liabilities						
Derivatives	0			0		
Other Investment Balances	-4			-66		
Payables			-256			-194
	-4	**0**	**-256**	**-66**	**0**	**-194**
Total	**3,463,763**	**65,676**	**-256**	**3,108,386**	**51,384**	**-194**

Note 25b - Net Gains and Losses on Financial Instruments

	31-Mar-24 £'000	31-Mar-23 £'000
Financial Assets		
Fair Value through Profit and Loss	343,586	-138,985
Loans and Receivables	0	0
Financial Assets at Amortised Cost	-173	442
Financial Liabilities		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
Total	**343,413**	**-138,543**

Note 25c - Valuation of Financial Instruments Carried at Fair Value

Financial instruments have been classified in to one of the following three categories to reflect the level of uncertainty in estimating their fair values:

Level 1
Fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2
Fair value is based on inputs other than quoted prices included within Level 1 that are observable either directly (i.e., from prices) or indirectly (i.e., derived from prices).
Level 3
Fair value is determined by reference to valuation techniques using inputs that are not observable in the market.

Level 2 includes pooled funds where the valuation is based on the bid price, where bid and offer prices are published, or the net asset value provided by the issuing fund. Within Level 2 there are also listed private equity investments where the market for the security is not deemed active; for these investments the valuation is based on the most recently available bid price in the market.

Included within Level 3 are pooled private equity investments made in Limited Liability Partnerships where fair value is determined using valuation techniques which involve significant judgements by fund managers due to the unquoted nature of the underlying fund investments. The valuations are obtained from the audited financial statements of the issuing funds and are normally adjusted for cashflows where data does not cover the full financial year for the Pension Fund.

Some listed private equity investments have been included within Level 3 of the hierarchy where it has been determined that the market for the fund is inactive. These listed private equity investments are valued using the most recently available bid price in the market.

Categorisation of financial instruments within the levels is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the Fund's financial assets and liabilities within the fair value hierarchy

Value at 31 March 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	28,505	2,471,707	963,555	3,463,767
Financial Assets at Amortised Cost	65,676	0	0	65,676
Total Financial Assets	**94,181**	**2,471,707**	**963,555**	**3,529,443**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-4	0	0	-4
Financial Liabilities at Amortised Cost	-256	0	0	-256
Total Financial Liabilities	**-260**	**0**	**0**	**-260**
Net Financial Assets	**93,921**	**2,471,707**	**963,555**	**3,529,183**

Value at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets				
Financial Assets at Fair Value through Profit & Loss	31,021	2,275,363	802,069	3,108,453
Financial Assets at Amortised Cost	51,383	0	0	51,383
Total Financial Assets	**82,404**	**2,275,363**	**802,069**	**3,159,836**
Financial Liabilities				
Financial Liabilities at Fair Value through Profit & Loss	-66	0	0	-66
Financial Liabilities at Amortised Cost	-194	0	0	-194
Total Financial Liabilities	-260	0	0	-260
Net Financial Assets	**82,144**	**2,275,363**	**802,069**	**3,159,576**

Reconciliation of Movement in Level 3 Financial Instruments

	UK Equities £'000	Pooled Private Equity Funds £'000	Pooled Property Funds £'000	Pooled Infrastructure Funds £'000	Pooled Private Debt Funds £'000	Multi Asset Credit Funds £'000	Long-Term Investments £'000
Market Value 31 March 2023	**679**	**218,892**	**276,454**	**130,261**	**40,443**	**134,500**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	61,376	65,019	57,268	29,239	0	0
Sales	0	-36,444	-8,476	-7,288	-847	0	0
Unrealised Gains/(Losses)	-175	-16,431	-16,291	1,088	-425	15,832	0
Realised Gains/(Losses)	0	19,135	-989	-105	0	0	0
Market Value 31 March 2024	**504**	**246,528**	**315,717**	**181,224**	**68,410**	**150,332**	**840**

	UK Equities £'000	Pooled Private Equity Funds £'000	Pooled Property Funds £'000	Pooled Infrastructure Funds £'000	Pooled Private Debt Funds £'000	Multi Asset Credit Funds £'000	Long-Term Investments £'000
Market Value 31 March 2022	**722**	**197,765**	**273,869**	**101,507**	**12,641**	**139,284**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	37,412	79,009	29,608	29,197	0	0
Sales	0	-29,384	-32,680	-11,006	-227	0	0
Unrealised Gains/(Losses)	-43	-1,787	-46,108	16,293	-1,168	-4,784	0
Realised Gains/(Losses)	0	14,886	2,364	-6,141	0	0	0
Market Value 31 March 2023	**679**	**218,892**	**276,454**	**130,261**	**40,443**	**134,500**	**840**

Level 3 Sensitivities

Level 3 Investments	Valuation Range +/-	Value at 31 March 2024 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	504	555	454
Pooled Private Equity Funds	10%	246,528	271,181	221,875
Pooled Property Funds	3%	315,717	325,189	306,246
Pooled Infrastructure Funds	5%	181,224	190,285	172,162
Pooled Private Debt Funds	5%	68,410	71,831	64,990
Multi Asset Credit Funds	5%	150,332	157,848	142,815
Long-Term Investments	0%	840	840	840

Level 3 Investments	Valuation Range +/-	Value at 31 March 2023 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	679	747	611
Pooled Private Equity Funds	10%	218,892	240,781	197,003
Pooled Property Funds	3%	276,455	284,749	268,161
Pooled Infrastructure Funds	5%	130,261	136,774	123,748
Pooled Private Debt Funds	5%	40,443	42,465	38,421
Multi Asset Credit Funds	5%	134,500	141,225	127,775
Long-Term Investments	0%	840	840	840

Note 27 - Risk

The Pension Fund is subject to risk in terms of its key responsibility to meet the pension liabilities of the scheme members as they become due. These risks relate to the value of both the assets and the liabilities of the Fund and the timing of when the payment of the liabilities becomes due.

At a strategic level, the main tools used by the Pension Fund to manage risk are:

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2022 Valuation estimated that the current Funding Level is 111%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds, and sets out the approach to the mitigation of investment risk.
- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.

- The regular review of the performance of all Fund Managers.

Key elements of the approach to managing the investment risk as set out in the Investment Strategy Statement include:

- Maintaining an element of the asset allocation in assets such as fixed income securities, the behaviour of which closely mirrors that of the Fund's liabilities. The allocation to liability matching assets is regularly reviewed with the intention that the allocation will increase as the maturity of the fund increases, as was the case following the 2016 valuation. Whilst the Fund maintains a high proportion of active members where the payment of liabilities is not due for many decades and remains cashflow positive, the Fund can afford to seek the higher investment returns associated with the more volatile and illiquid asset classes.
- Maintaining an element of the asset allocation in passive equity funds which removes the risk associated with poor manager performance (though retaining the market risk).
- Ensuring a diversification amongst asset classes, and in particular an allocation to alternative asset classes for which performance has historically not correlated to equity performance.
- Ensuring a diversification of Fund Managers and investment styles (e.g. some with a growth philosophy, some with a value philosophy) to mitigate the risk of poor manager performance impacting on asset values.
- The Fund's policy on ensuring Environmental Social & Governance factors are taken into account in investment decisions. During 2019/20 the Fund developed a Climate Change Policy dealing with how it will manage climate change related risks and opportunities. The policy was developed as the Fund sees climate change as single most significant risk to long-term investment performance given its systemic nature.

The key risks associated with the level of liabilities stem from the level of initial pension benefit payable, the indexation of this benefit and the time the benefit is in payment for. These risks largely lie outside the control of the Pension Fund. Changes to the scheme were made in 2014 with the aim of making the scheme more sustainable including; linking the normal retirement age to future estimates of life expectancy to bring stability to the length of time benefits are in payment, a change in the calculation of benefits to career average revalued earnings to avoid the sudden hike possible in final benefits possible under a final salary scheme, and a switch in the basis of indexation to CPI which is generally lower than the RPI alternative.

The Actuary, when completing the 2022 Valuation, undertook sensitivity analysis calculations to look at the impact on potential liabilities and the funding level. A variation of 0.1% per annum in the discount rate would move the calculated funding level from 111% down to 109% or up to 113%. A change in the CPI assumption of 0.2% per annum would lead to a reduction in the funding level to 108% or an increase to 115%. A change to the rate of mortality improvement of 0.25% would move the funding level down to 110% or up to 112%.

In terms of the investment in the various Financial Instruments open to the Pension Fund, the Fund is exposed to the following risks:

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.
- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

Credit Risk

The Pension Fund's credit risk is largely associated with the Fund's investments in Fixed Interest and Index Linked Securities, Cash Deposits and Short Term Loans, where there is a risk that the other parties may fail to meet the interest or dividend payments due, or fail to return the Fund's investment at the end of the investment period.

At 31 March 2024 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31 March 2024 £'000	31 March 2023 £'000
UK Government Gilts	0	15,350
UK Corporate Bonds	135,566	127,160
UK Index Linked Gilts	229,819	167,642
Overseas Government Bonds	0	10,269
Multi Asset Credit Funds	150,332	134,500
Non-Sterling Cash Deposits	5,753	11,952
Cash Balances	58,920	39,336
Total	**580,390**	**506,209**

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2024 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2024 £'000	Rating	Balance at 31 March 2023 £'000
Money Market Funds				
Aberdeen Standard	AAA	7,420	AAA	14,465
State Street Global Advisors	AAA	56,181	AAA	33,389
Bank Current Accounts				
Lloyds Bank Plc	A+	340	A+	2,507
Santander UK Plc	A+	5	A+	0
State Street Bank & Trust Co	AA+	727	AA+	927
Total		**64,673**		**51,288**

The Pension fund has no experience of default against which to quantify the credit risk against the current investments.

Liquidity Risk

Liquidity risk represents the risk that the Fund will be unable to meet its financial obligations as they fall due. At the present time, the liquidity risk is seen, relatively, as the greatest threat to the Pension Fund, although the absolute risk itself is still seen to be very low, particularly in the short term.

During 2023/24 the Pension Fund received/accrued income related to dealings with members of £153.2m (2022/23 £129.3m) and incurred expenditure related to dealings with members of £149.6m (2022/23 £131.1m). There were further receipts/accruals of £24.3m (2022/23 £20.3m) in respect of investment income, against which need to be set taxes of £0m (2022/23 £0m). The net inflow was therefore £27.9m (2022/23 £12.1m).

The figures show that the Fund is still cashflow positive at the whole fund level. A cash flow forecast is maintained for the Fund to understand and manage the timing of the Fund's cash flows. On a daily basis, the Fund holds a minimum of £40m of cash in call accounts and money market funds to meet benefit payments due, drawdowns from fund managers, and other payments due from the Fund. The Fund has also looked at longer-term cashflow forecasts to gain a greater understanding of when the balance of pension payments and contributions may become negative so as to consider how this may affect the Fund's investment strategy in the future. The Fund has already taken some steps in this regard including allocating to the Secured Income portfolio offered by Brunel Pension Partnership.

The Fund would need to experience a significant change in either the levels of contributions received, and/or the levels of benefits payable, as well as the loss of all current investment income, before it might be required to liquidate assets at financial loss.

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.
However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

Market Risk

The whole of the Pension Fund's investment asset base is subject to financial loss through market risk, which includes the impact of changes in interest rates, movements in market prices and movements in foreign currency rates. However, as noted above under the liquidity risk, these financial losses are not automatically realised, as all assets held by the Pension Fund are done so on a long-term basis. Subject to the liquidity risk above, it is likely to be many years into the future before any assets will be required to be realised, during which time market risk will have the opportunity to even itself out.

Market risk is generally managed through diversification of investments within the portfolio in terms of asset types, geographical and industry sectors, and individual securities.

Whilst widespread recession will drive down the value of the Fund's assets and therefore funding level in the short term, this will have no direct bearing on the long-term position of the Fund, nor the contribution rates for individual employers. Under the LGPS Regulations, the Fund Actuary is required to maintain as near stable contribution rate as possible, and as such the Valuation is based on long term assumptions about asset values, with all short-term movements smoothed to reflect the long-term trends.

Interest Rate Risk
The direct exposure of the fund to interest rate risk and the impact of a 100 basis point movement in interest rates are presented in the table below. This analysis assumes that all other variables remain constant:

Asset Type	Carrying Amount as at 31 March 2024	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	5,753	58	-58
Cash Balances	58,920	589	-589
Bonds	365,385	3,654	-3,654
Multi Asset Credit Funds	150,332	1,503	-1,503
Total Change in Assets Available	**580,390**	**5,804**	**-5,804**

Asset Type	Carrying Amount as at 31 March 2023	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	11,952	120	-120
Cash Balances	39,336	393	-393
Bonds	320,421	3,204	-3,204
Multi Asset Credit Funds	134,500	1,345	-1,345
Total Change in Assets Available	**506,209**	**5,062**	**-5,062**

In the short term, interest rate risk is difficult to quantify in that it impacts directly on both the price of fixed interest and index linked securities as well as the discount factor used to value liabilities. Increases in interest rates which will drive down security prices and asset values will also reduce the future pension liabilities and therefore improve funding levels rather than worsen them.

Currency Risk

Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's functional currency (£GBP).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.
This analysis assumes that all other variables remain constant.

Currency Exposure - Asset Type	**Asset Values as at 31 March 2024**	**Change in Year in the Net Assets Available to Pay Benefits**	
		10.00%	**-10.00%**
	£'000	**£'000**	**£'000**
Overseas Equities	324	32	-32
Pooled Global Equities	1,596,696	159,670	-159,670
Pooled Private Equity (LLPs)	193,353	19,336	-19,336
Pooled Property	63,541	6,354	-6,354
Infrastructure	51,910	5,191	-5,191
Cash	5,753	575	-575
Total Change in Assets Available	**1,911,577**	**191,158**	**-191,158**

Currency Exposure - Asset Type	**Asset Values as at 31 March 2023**	**Change in Year in the Net Assets Available to Pay Benefits**	
		10.00%	**-10.00%**
	£'000	**£'000**	**£'000**
Overseas Equities	9,677	968	-968
Pooled Global Equities	1,226,423	122,642	-122,642
Pooled Private Equity (LLPs)	168,224	16,822	-16,822
Pooled Property	63,725	6,373	-6,373
Infrastructure	34,204	3,420	-3,420
Cash	11,952	1,195	-1,195
Total Change in Assets Available	**1,514,205**	**151,420**	**-151,420**

Other Price Risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or foreign exchange risk.

All investments in securities present a risk of loss of capital. The maximum risk is the fair value of the financial instrument.

The effect of various movements in market price are presented in the table below along with the effect on total assets available to pay benefits assuming all other factors remain constant:

	Value as at 31 March 2024	Percentage Change	Value on Increase	Value on Decrease
Asset Type	**£'000**	**%**	**£'000**	**£'000**
UK Equities	177,319	10.0	195,051	159,587
Pooled UK Equities	359,128	10.0	395,040	323,215
Global Equities	324	10.0	356	292
Pooled Global Equities	1,596,696	10.0	1,756,366	1,437,027
Pooled Corporate Bonds	135,566	5.0	142,344	128,788
Infrastructure	181,224	5.0	190,285	172,162
Pooled Private Equity (LLPs)	246,528	10.0	271,181	221,875
Pooled Property	315,717	3.0	325,188	306,245
Multi Asset Credit Fund	150,332	5.0	157,848	142,815
Index Linked Pooled Fund	229,819	5.0	241,310	218,328
Private Debt	68,410	5.0	71,831	64,990
Long-Term Investments	840	0.00	840	840
Cash	64,673	0.00	64,673	64,673
Total Assets Available to Pay Benefits	**3,526,576**		**3,812,313**	**3,240,837**

	Value as at 31 March 2023	Percentage Change	Value on Increase	Value on Decrease
Asset Type	**£'000**	**%**	**£'000**	**£'000**
UK Equities	135,423	10.0	148,965	121,881
Pooled UK Equities	497,259	10.0	546,984	447,533
Global Equities	9,676	10.0	10,644	8,708
Diversified Growth Fund	116,201	3.0	119,688	112,716
Pooled Global Equities	1,226,423	10.0	1,349,065	1,103,781
Pooled Corporate Bonds	127,160	5.0	133,518	120,802
Infrastructure	130,261	5.0	136,774	123,748
Pooled Private Equity (LLPs)	218,892	10.0	240,781	197,003
Pooled Property	276,454	3.0	284,748	268,160
Multi Asset Credit Fund	134,500	5.0	141,225	127,775
Index Linked Pooled Fund	167,642	5.0	176,024	159,260
Private Debt	40,443	5.0	42,465	38,421

Long-Term Investments	840	0.00	840	840
Cash	51,288	0.00	51,288	51,288
Pooled UK Fixed Interest Bonds	15,350	5.0	16,118	14,583
Pooled Overseas Bonds	10,269	5.0	10,782	9,755
Total Assets Available to Pay Benefits	**3,158,081**		**3,409,909**	**2,906,254**

Note 28 - Actuarial Valuation

The contribution rates within the 2023/24 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2022.
This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2024 was 19.9% of Pensionable Pay. The corresponding rates of contribution that are required from the major participating employers for this period are:

	% Pay	Additional Monetary Amounts £'000
South Oxfordshire District Council	17.8	411
West Oxfordshire District Council	17.6	746
Cherwell District Council	15.9	-
Oxford City Council	13.4	-
Vale of White Horse District Council	17.8	767
Oxford Brookes University	19.2	-

The funding policy of the scheme is set out in the Funding Strategy Statement and can be summarised as follows:-

- To enable Employer contribution rates to be kept as stable as possible and affordable for the Fund's Employers.
- To make sure the Fund is always able to meet all its liabilities as they fall due.
- To manage Employers' liabilities effectively.
- To enable the income from investments to be maximised within reasonable risk parameters.

The actuarial method used to calculate the future service contribution rate for Employers was a risk-based approach. The risk-based approach uses an Asset Liability Model to project each employer's future benefit payments, contributions and investment returns into the future under 5,000 possible economic scenarios. Future inflation (and therefore benefit payments) and investment returns for each asset class (and therefore asset values) are variables in the projections.

By projecting the evolution of an employer's assets and benefit payments 5,000 times, a contribution rate can be set that results in a sufficient number of the future projections being successful i.e. meeting the funding target by the funding time horizon.

The market value of the Fund's assets at the 2022 valuation date was £3,280m representing 111% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2023 which, subject to the financial

assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.
The main financial assumptions were as follows:

Assumptions for the 2022 Valuation	Annual Rate %
Pension Increases	2.7
Salary Increases	2.7
Discount Rate	4.6

Assumptions are also made on the number of leavers, retirements and deaths. One of the important assumptions is the mortality of existing and future pensioners. Mortality rates have been based on up to date national standard tables adjusted for the recent experience of the Oxfordshire County Council Pension Fund and make allowance for an expectation of further improvements in mortality rates in the future.

Oxfordshire County Council Pension Fund ("the Fund") Actuarial Statement for 2023/24

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated December 2022. In summary, the key funding principles are as follows:

• take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants

• use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)

• where appropriate, ensure stable employer contribution rates

• reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy

• use reasonable measures to reduce the risk of an employer defaulting on its pension obligations

• manage the fund in line with the stated ESG policies.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £3,280 million, were sufficient to meet 111% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £329 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report and FSS.

Method
The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions
A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial assumptions	31 March 2022
Discount rate	4.6% pa
Salary increase assumption	2.7% pa
Benefit increase assumption (CPI)	2.7% pa

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	22.3 years	24.9 years
Future Pensioners*	23.0 years	26.3 years

*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund and on the Fund's website.

Experience over the period since 31 March 2022
Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time

Tom Hoare FFA
For and on behalf of Hymans Robertson LLP
21 May 2024

SUMMARY OF BENEFITS AT MARCH 2024

Introduction

Membership of the Local Government Pension Scheme (LGPS) secures entitlement to benefits that are determined by statute, contained within the LGPS Regulations. The regulations current for this year's report were effective from April 2014. A summary of the main benefit structure follows. There is further specific information in the sections, making up an Employee Guide currently held on the pension pages of the County public website.
www.oxfordshire.gov.uk/lgpsmembersguide

• Employers' Discretion

The regulations require each employer within the Oxfordshire Fund to determine their own local policy in specific areas. These policy statements have to be published and kept under review.
The specific areas include how employers will exercise discretionary powers to, award additional pension for a member, agreement to flexible retirement on request of the member ,setting up a shared cost AVC scheme, and waiving the reduction to a pension which is being paid early.

• Retirement

The 2014 scheme reintroduced the 2 year vesting period to qualify for any benefit other than that following a death in service. The scheme retirement age is linked to State Pension Age (SPA) for men and women, membership of the scheme continues when employment continues after SPA. All pensions contributions must cease before the 75th birthday.
Scheme benefits can be taken voluntarily after leaving employment from age 55, but the benefit payable will be reduced. Alternatively when retirement is deferred until after SPA, the benefit will be increased.

The regulations confirm 'normal retirement age' to be the personal state retirement age but not before age 65, but protection is offered to those members who previously had the entitlement for earlier retirement with an unreduced benefit. The protections offered are limited according to the age of the member and may not apply on the whole of their membership.

The earliest age for payment of pensions is age 55 and from April 2014 employer's approval is no longer required.

Flexible retirement options, from age 55 were introduced from April 2006. A person could reduce their hours or grade and request a payment of pension while continuing in employment. Employers have to agree to the whole arrangement.

Ill health retirement – the Regulations provide 3 tiers of benefit depending upon the likelihood of the member being able to obtain gainful employment in the future. An employer's assessment for ill health pension is based upon capability to carry out duties of the member's current job and must be supported by appropriate independent medical certification.

From age 55, unreduced benefits are payable immediately when an employer terminates employment due to a redundancy or efficiency dismissal.

• Benefits

A retirement benefit, whether payable immediately or deferred, consists of an annual retirement pension and lump sum retirement grant for membership to 31 March 2008 and an annual retirement pension on membership from April 2008 (see below). However there is an option for members to convert pension to lump sum retirement grant. The minimum period of membership to qualify for retirement benefits is 2 years. The standard pension calculation, for membership to

31 March 2008, is 1/80 of final years' pensionable pay for each year of membership and the retirement grant is 3/80 of final year's pensionable pay for each year of membership. From 1 April 2008 to 31 March 2014 the standard calculation is 1/60 of final years' pensionable pay for each year of membership. From April 2014 the standard calculation is pay x 1/49 for the year with annual pension revaluation. NB Where members choose to pay into the 50/50 section of the scheme their accrual for that period will be pay x 1/98 and not 1/49 as shown.

Example – retirement in 2020

25 years membership to 31 March 2014 and then six years in the 'new scheme', 'final pay' and career average pay £15,000 as at 31 March 2020

Annual Pension

20 years x 1/80 x £15,000 = **£3,750**

5 years x 1/60 x £15,000 **= £1,250**

£15,000 x 6/49 = **£1,836.73**

Retirement Grant

20 years x 3/80 x £15,000 = **£11,250**

Members can choose at retirement to exchange pension for a larger retirement grant lump sum. AVC funds can also be used to provide a larger tax free lump sum. This combined lump sum can be up to 25 percent of the member's individual total pension fund value.

There are differences for elected members: Final pay is derived from career average pay and the benefit calculation remains for the time being as 1/80 for annual pension and 3/80 retirement grant. Elected members can only remain in the LGPS for their current period of office, and is not available for newly elected councillors.

• Liability to pay future benefits

The Pension Fund financial statements provide information about the financial position, performance and financial arrangements of the Fund. They are intended to show the results of the stewardship and management, that is the accountability of management for the resources entrusted to it, and of the disposition of its assets at the period end. The only items that are required to be excluded by regulations are liabilities to pay pensions and other benefits in the future, which are reported upon in the actuary's statement.

• Increasing Benefits

Scheme members have several options as to how they increase their benefits, additional contributions to the LGPS or by contributing to the group AVC scheme arranged with the Prudential.

Additional Regular contributions (ARC's) to the LGPS to buy additional pension and set up before 1 April 2014 may continue but opening a new ARC is not possible.

Additional Pension Contributions (APC) gives members the opportunity to buy additional pension of up to £6,675. Payment can be made by a one off, or regular monthly payments.

Prudential AVCs. A member's additional contributions are invested by the Prudential to enable an annuity to be bought at retirement either from the Prudential, on the open market or as a top up pension with the LGPS. In certain protected circumstances the AVC value may also be used to buy additional LGPS membership Members may also make their own arrangements using a stakeholder pension or an FSAVC.

• Death

Following a death in service a death grant of up to three times pensionable pay is payable. There are no minimum service requirements to qualify, but there are limits to the total of death grant payable if the member also has pensions on payment or in deferment. Scheme members are recommended to keep their 'expression of wish' nominations current.

- Pensions are due to the eligible survivors: partners and /or children. The pension due to survivors reflects the changing regulations and the partnership status. Whilst the regulations no longer require prior nomination of co-habitees, eligibility must be determined before

making payment. Widows' and Widowers' Pension; Civil Partners' Pension; Nominated co-habiting partners' Pension
The formula for pensions for surviving partners is 1/160 of the members' final year's pensionable pay for the allowable membership to 31 March 2014 with enhancements assessed under the CARE scheme from 1 April 2014 until the members state retirement age.

For a widow or widower married before the member left employment all of membership can be used.

For civil partners and cohabiting partners only membership from 6 April 1988 is allowable for pension calculations.

INVESTMENT STRATEGY STATEMENT

The Pension Fund's Investment Statement in effect at 31 March 2024 is available at the following link: Investment Strategy Statement (oxfordshire.gov.uk).

The Pension Fund's Climate Change Policy, which forms an annex to the Investment Strategy Statement, in effect at 31 March 2024 is available at the following link: OCCPF Climate Change Policy (oxfordshire.gov.uk).

GOVERNANCE POLICY STATEMENT

The Pension Fund's Governance Policy Statement in effect at 31 March 2024 is available at the following link: Oxfordshire Pension Fund

FUNDING STRATEGY STATEMENT

The Pension Fund's Funding Strategy Statement in effect at 31 March 2024 is available at the following link: FundingStrategyStatement.pdf (oxfordshire.gov.uk).

COMMUNICATIONS POLICY STATEMENT

The Pension Fund's Communications Policy Statement in effect at 31 March 2024 is available at the following link: [Communication Policy (oxfordshire.gov.uk)]

COMMUNICATION

The Pension Fund Committee approved a Communication Strategy, which sets out the fund's communication policy with all employing bodies, contributors and pensioners. The following initiatives are currently in place: -

- **Annual Report and Accounts** – The investment team circulate this document to all Oxfordshire County Council Directors and all employing bodies. It is also available on line from the website page. Copies are available for public inspection in the main Oxfordshire public libraries.
- **Summary of Report and Accounts Leaflet** – The Pension Fund Investment Manager selects sections from the main document to incorporate into an issue of Reporting Pensions for all current members. Pensioners receive the fund information with their annual newsletter.
- **Annual Pension Fund Forum** – An annual event for all employers in the fund, with an open invitation to submit topics for discussion and to send representatives. The forum is to keep employing bodies informed of topical issues and events that have occurred in the last year and also to give them the opportunity to raise any questions in relation to the Pension Fund.
- **Pensions Employer/User Group** – This is a meeting held quarterly for all employing bodies within the Oxfordshire Fund. The purpose of the group is to inform, consult and discuss LGPS matters such as changes in legislation, the results of the actuarial valuation and other policy changes. We will continue with the recently revised format of presenting on specific subjects at these meetings.
- **Employee Guide to LGPS** – presents aspects of the scheme to all members as a series of short subject leaflets. Taken together they provide a full guide for members, but individually offer broad information on specific subjects. The leaflets are available from the Oxfordshire County Council Pension Fund website or on request from Pension Services.
- **Brief Guide to the LGPS** - a reduced version of the scheme guide, with main points available for all from the website. We encourage all employers to link their starting information for new employees to this guide.
- **Reports by Beneficiaries Representative** – The beneficiaries' representative attends all Pension Fund Committee meetings as an observer. He has no voting rights but is allowed to speak with the permission of the Chairman. The Representative's report after each meeting is circulated to all employers for their staff, and is also on the pensions website pages.
- **Reporting Pensions** – a quarterly newsletter distributed, with the assistance of fund employers to scheme members and those eligible to join the fund. These pick up major changes to the LGPS and ensure that Oxfordshire County Council Pension Fund complies with the Disclosure of Information Regulations.
- **Website** – Pages for the Oxfordshire County Council Pension Fund are located on the County's public website. They offer access to administration and investment information, including Pension Fund Committee reports and minutes. Fund Employers can find detailed Administration information as an online toolkit to support their role in the fund. All members; current, pensioners, and deferred, have dedicated sections, with links to newsletters, guides, and national websites.

- **Intranet** - is not maintained by Pension Services as it reflects the decisions and policies of the County Council as a fund employer. Their pages also provide links and access to the Pension Fund website. Other fund employers also provide information on their intra-net sites for employees.
- **Talking Pensions –** This is an informal monthly newssheet for all employers in the Oxfordshire Fund distributed to all Human Resources and Payroll contacts.
- **Annual Benefit Statements -** Pension Services issue statements to current members and to members who have left the scheme with an entitlement to pension but not to an immediate payment. Additional information to the Statement is available from the website.
- **Administration principles -** we encourage all new employers to attend a meeting to help acquaint themselves to our requirements and importantly, their responsibilities within the scheme.

USEFUL CONTACTS AND ADDRESSES

BENEFIT ADMINISTRATION

Pension Services
Oxfordshire County Council
4640 Kingsgate
Cascade Way
Oxford Business Park South
Oxford, OX4 2SU

Telephone:
0330 024 1359
email:
pension.services@oxfordshire.gov.uk

ACCOUNTS AND INVESTMENTS

Financial Manager – Pension Fund Investments
Corporate Services
Oxfordshire County Council
County Hall
Oxford, OX1 1ND

email:
pension.investments@oxfordshire.gov.uk

BENEFICIARIES REPRESENTATIVE

c/o Pension Services
Oxfordshire County Council
4640 Kingsgate
Cascade Way
Oxford Business Park South
Oxford
OX4 2SU

SPECIFIED PERSON FOR ADJUDICATION OF DISPUTES PROCEDURE
Disputes to be sent to:-

Pensions Services Manager
Oxfordshire County Council
4640 Kingsgate
Cascade Way
Oxford Business Park South
Oxford, OX4 2SU

Email: vicki.green@oxfordshire.gov.uk

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW 0345 600 1011
www.thepensionsregulator.gov.uk

Pension Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU 0800 731 0193
www.gov.uk/find-pension-contact-details

The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB 0800 011 3797
www.pensionsadvisoryservice.org.uk

Pensions Ombudsman
10 South Colonnade
Canary Wharf, London
E14 4PU 0207 630 2200
www.pensions-ombudsman.org.uk