



To: Members of the Local Pension Board

Notice of a Meeting of the Local Pension Board

Friday, 22 October 2021 at 10.30 am

Virtual

IF YOU WISH TO VIEW PROCEEDINGS OF THIS MEETING, PLEASE
CLICK ON [VIDEO LINK TO MEETING](#).

AS THE PENSION BOARD WAS NOT SET UP UNDER THE LOCAL GOVERNMENT ACT BUT UNDER SEPARATE PENSION ACT PROVISIONS, IT IS NOT COVERED BY THE REGULATIONS REQUIRING FACE TO FACE MEETINGS. ALSO, AS THE BOARD IS NOT A DECISION MAKING BODY BUT OFFERS ADVICE TO THE PENSION FUND COMMITTEE, THERE ARE NO MATTERS WHICH WOULD REQUIRE VOTING

A handwritten signature in blue ink, appearing to read 'Yvonne Rees'.

Yvonne Rees
Chief Executive

14 October 2021

Committee Officer: **Khalid Ahmed**
Tel: 07990 368048; Email: khalid.ahmed@oxfordshire.gov.uk

Membership

Chairman – Matthew Trebilcock

Scheme Members:

Alistair Bastin	Stephen Davis	Sarah Pritchard
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Employer Members:

Marcia Slater	Elizabeth Griffiths	Angela Priestley-Gibbins
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Notes:

- ***Date of next meeting: 21 January 2022***

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

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

Whose Interests must be included?

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

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

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

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

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

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

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

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

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

List of Disclosable Pecuniary Interests:

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

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

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

AGENDA

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

To approve the minutes of the meeting held on 9 July 2021 and to receive information arising from them.

6. **Unconfirmed Minutes of the Pension Fund Committee - 10 September 2021 (Pages 5 - 16)**

7. **Governance Review (Pages 17 - 44)**

The Board is invited to consider the response to the 10 recommendations made within the Independent Governance Review undertaken by Hymans Robertson, as considered by the Pension Fund Committee on 10 September 2021.

8. **Climate Change Report (Pages 45 - 62)**

The Board are invited to review the Fund's first report produced in accordance with the Taskforce for Climate-Related Financial Disclosures template as presented to the Pension Fund Committee on 10 September 2021. The report sets out the Fund's approach to meeting the climate related objectives as set out in the Funds Investment Strategy Statement, and the Board are invited to provide any comments to the Pension Fund Committee.

The Board will also receive a verbal update on the latest position following the decision of the Pension Fund Committee to switch the whole of its passive equity allocation (15% of the Fund) to the new Paris Aligned Benchmark Fund developed by Brunel alongside FTSE Russell.

9. **Review of the Annual Business Plan (Pages 63 - 70)**

The Board are invited to review the latest position against the Annual Business Plan for

2021/22 as considered by the Pension Fund Committee at their meeting on 10 September 2021, and to offer any comments to the Committee.

10. Risk Register (Pages 71 - 80)

This is the latest risk register as considered by the Pension Fund Committee on 10 September 2021. The Board are invited to review the report and offer any further views back to the Committee.

11. Administration Report (Pages 81 - 100)

The Board is invited to review the latest Administration Report as presented to the Pension Fund Committee on 10 September 2021, including the latest performance statistics for the Service.

12. Items to Include in Report to the Pension Fund Committee

The Board is invited to confirm the issues they wish to include in their latest report to the Committee.

13. Items to be Included in the Agenda for the next Board Meeting

Members are invited to identify any issues they wish to add to the agenda of the next meeting of this Board.

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LOCAL PENSION BOARD

MINUTES of the meeting held on Friday, 9 July 2021 commencing at 10.30 am and finishing at 12.00 pm.

Present:

Matthew Trebilcock – in the Chair

Voting Members:

Alistair Bastin
Stephen Davis
Angela Priestley-Gibbins
Sarah Pritchard

**Pension Fund
Committee Members
in Attendance:**

Councillor Richard Webber
Alistair Fitt

By Invitation:

Simon Bradley (Observer) and Maria Slater (Observer)

Officers:

Sean Collins (Service Manager Pensions Insurance and Money Management) and Khalid Ahmed (Law and Governance).

The Board considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

23/21 MINUTES

(Agenda No. 5)

The Minutes of the meeting held on 23 April 2021 were approved.

[In relation to Minute No. 16/21, the Board was informed that a replacement for Peter Davies, the Independent Financial Adviser had not been appointed. The tender documents for the post were with the Council's Legal and Procurement Team. It was expected that Peter Davies would remain until the September meeting and would be paid on an ad hoc basis when needed.]

24/21 UNCONFIRMED MINUTES OF THE PENSION FUND COMMITTEE - 11 JUNE 2021

(Agenda No. 6)

The meeting had before it the draft minutes of the last Pension Fund Committee meeting of 11 June 2021 for consideration. The draft Minutes were noted.

25/21 ANNUAL REPORT OF THE PENSION BOARD

(Agenda No. 7)

The Board was required to publish an Annual Report covering its work of the previous year, for inclusion in the Report and Accounts of the Pension Fund.

Members were provided with the report for 2020/21 which covered the Board's meetings from July 2020 to April 2021.

The Board was informed that it would play a key role in supporting the Pension Fund Committee in delivering its responsibilities following the McCloud judgement and the need to retrospectively collect and review data for the scheme members in scope of the proposed remedy arrangements.

Reference was made to preparation for the next tri-ennial valuation of the Fund due at 31 March 2022 which would be a key area for the Board to consider during 2021/22.

Details of Board Members training was provided. It was noted that training of Board Members was a statutory obligation to enable Members to have the skills and knowledge to enable them to fulfil their duties.

The report was noted.

26/21 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 8)

The Board was invited to review the latest position against the Annual Business Plan for 2020/21 which was considered by the Pension Fund Committee at their meeting on 5 March 2021, and to offer comment on the Business Plan agreed for 2021/22.

Sean Collins informed the Board that in relation to progress on the further implementation of the Climate Change Policy, there had been limited progress due the restricted ability to hold meetings of the Climate Change Working Group. This had been caused by problems with membership and Officers being required to prioritise resources on closing the Pension Account Accounts in line with statutory deadlines.

The Board was informed that the membership of the Climate Change Working Group had been agreed as the Chair and Vice Chair of the Pension Fund Committee, a scheme member representative (Steve Moran), a representative from Fossil Free Oxfordshire, Alistair Bastin (Representative from the Local Pension Board) and the Independent Financial Adviser. Councillor Jo Robb had asked to attend meetings of the working group.

Sean Collins informed the Board that the working group would be receiving a report, providing carbon data on the equity and corporate bond investments, with data for both December 2019 and December 2020. In addition, the working group would undertake the initial work in respect of investing in climate solutions and monitoring the effectiveness of our engagement and voting strategies and include initial recommendations to the September meeting of the Pension Fund Committee. A

report would be submitted to the next meeting of the Board on the outcome of the working group meeting.

In relation to priority 2, delivering further improvements to the governance arrangements of the Fund, the Board was informed that a report would be submitted to the September meeting of the Pension Fund Committee on the proposals to implement the actions from the Hymans Robertson review into the governance arrangements of the Fund.

The priority of improving the data management arrangements between the Fund and both scheme employers and scheme members, reference was made to whether there was scope for modelling of the data, rather than manually collecting and the Board was informed that this would happen.

Regarding reviewing the arrangements with Brunel following the transition of the majority of Fund assets to Brunel portfolios, the Board was informed that 80% of the Fund's assets had been invested in Brunel portfolios.

The Board noted the report, together with the information reported.

27/21 RISK REGISTER

(Agenda No. 9)

The Board had been invited to review the latest risk register as considered by the Pension Fund Committee on 11 June 2021 offer any further views back to the Committee.

The report was noted.

28/21 ADMINISTRATION REPORT

(Agenda No. 10)

The Board was invited to review the latest Administration Report as presented to the Pension Fund Committee on 11 June 2021. The report included key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter.

The Board noted that at the Pension Fund Committee it was agreed to extend the temporary reduction in service level agreement targets (down to 75%) until the next meeting of the Committee in September.

Regarding the implementation of i-connect, this was working better and Annual Statements were ahead of schedule.

The report was noted.

29/21 INVESTMENT MANAGEMENT FEES

(Agenda No. 11)

The Board was invited to consider the report on investment management fees and investment performance covering the 3 year period to 31 March 2021 and offer any comments to the Pension Fund Committee.

Sean Collins informed the Board that there had been an increase in investment management fees (£10m) for the last financial year. This had been caused by greater transparency over the underlying costs in respect of some of the private market portfolios. As well as providing information on their own fees, Brunel have provided information in respect of the fees paid to the underlying fund managers in the property and private equity portfolios.

In addition, there was also higher fees paid to the legacy private equity managers in 2020/21 which were related directly to performance.

After discussion, the Board agreed to ask the Pension Fund Committee whether the Fund was getting value for money in terms of fees paid to Asset Managers, as Fund Managers were getting twenty times more than for Passive investments.

The Board was informed that the Pension Fund Committee would be looking at whether Fund Managers had reached their targets.

The report was noted.

30/21 ITEMS TO INCLUDE IN REPORT TO THE PENSION FUND COMMITTEE

(Agenda No. 12)

The Board discussed items to be included in the report to the Pension Fund Committee and the following was agreed:-

- Annual Report of the Board
- The re-appointment of Alistair Bastin to the Climate Change Working Group
- Pension Fund Management Fees
- Reflection of the importance of training for Board and Pension Fund Committee members.

31/21 ITEMS TO BE INCLUDED IN THE AGENDA FOR THE NEXT BOARD MEETING

(Agenda No. 13)

The Committee asked that a report back be provided on the meeting of the Climate Change Working Group.

..... in the Chair

Date of signing

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 10 September 2021 commencing at 10.15 am and finishing at 12.20 pm

Present:

Voting Members: Councillor Bob Johnston – in the Chair

Councillor Kevin Bulmer (Deputy Chair)
Councillor Imade Edosomwan
Councillor Nick Field-Johnson

Non-Voting Members: District Councillor Jo Robb, District Councils (non-voting)
Shelley Cook, Academy Sector (non-voting)
Alistair Fitt, Oxford Brookes University (non-voting)
Steve Moran, Pension Scheme Member (non-voting)
Alan Staniforth, Academy Sector (non-voting)

By Invitation: Peter Davies, Independent Financial Adviser; Andrew McKerns, Hymans Robertson; Faith Ward, Chief Responsible Investment Officer, Brunel Pension Partnership

Officers:

Whole of meeting Sean Collins, Gregory Ley (Finance) and Colm Ó Caomhánaigh (Law and Governance)

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

32/21 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies had been received from Councillor Richard Webber.

33/21 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

There were no declarations of interest.

34/21 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on 11 June 2021 were approved and signed as a correct record.

Councillor Nick Field-Johnson asked for an update on the recruitment of an Independent Financial Adviser. Sean Collins reported that the position was currently being advertised. Peter Davies continued to provide advice on a voluntary basis in the interim. It was expected that the position would be filled by the next Committee meeting.

On Item 25/21, Age Discrimination Cases in the Firefighters Pension Scheme, the Committee had requested that the Monitoring Officer attend this meeting to provide an update. However, the government guidance was not now expected to be received until October 2021.

The Chairman responded that if an extra meeting of the Committee was needed to consider the matter, he was prepared to call one.

35/21 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

The Committee received a public address from Ms Al Chisholm from Fossil Free Oxfordshire.

Thank you for the opportunity to address you today on behalf of Fossil Free Oxfordshire on the subject of passive investment reallocation. And thank you, as ever, for all the important work you do to look after the fund and decarbonise it.

The backdrop for your discussion is the IPCC report, which the UN Secretary General said *“must sound a death knell for coal and fossil fuels, before they destroy our planet”*

Although passive fund allocation has come to seem complicated, it's very simple. To choose the PAB fund is to choose to stop investing in fossil fuels and rapidly reduce emissions., It's simple and risk-free. Given the escalating climate crisis and the urgent need to reduce fossil fuel extraction and emissions, it's a no-brainer.

The alternative is to invest in a CTB fund. It means giving fossil fuel companies money to develop and explore for **more** fossil fuels, while at the same time asking other companies to burn **less** fossil fuel to decarbonise the whole economy. Its logic is entirely contradictory.

Known reserves contain more than enough to tide us through the transition to clean energy, and burning all known reserves would guarantee catastrophic temperature rises. Funding the sector to find more makes no sense.

Two main arguments for opting for the CTB have been made

1. A “Just Transition.”
2. Engaging with the fossil fuel industry.

I'd like to address each of these in the very brief time available

1. Using the concept of “Just Transition” to justify continued investment in the fossil fuel industry is an absolute travesty. Yes, there absolutely must be a

rapid and just transition to clean energy that protects the livelihoods of those working in the fossil fuel industry, but maintaining investments in these companies under the guise of finding financial solutions to a political problem will simply delay political action, and will in the long run make the transition less just.

We only need to look at the experiences of the Ogoni people whose leaders were executed in the Niger Delta or the people who fished there until the catastrophic oil spills, to understand how companies like Shell can be relied upon to protect people's livelihoods.

Anyway, it is the Government's responsibility to ensure the just transition, not the Pension Fund Committee's, but if the Committee is concerned with justice in this transition, it might do better to invest in clean energy technology so there are jobs for oil and gas workers to go to as this transition takes place. (Incidentally, both funds will exclude tobacco, but we see no arguments for the Pension Fund to ensure a just transition for workers in that sector.)

2. The second argument is about engagement with the fossil fuel industry. It has been going on for decades. If it was working, they would have stopped exploring for and developing new oil and gas reserves and put serious money into renewables. They would stop lobbying against climate policy and trying to derail COP. None of them - not even the more progressive ones - has a Paris-Compliant business plan. Besides, the Climate Policy states clearly that the fund will not remain invested in fossil fuels purely so it can pursue engagement.

For these reasons, Fossil Free Oxfordshire urges you to transfer 100% of the passive investments to the Paris-Aligned Benchmark fund to protect the value of Scheme members' pensions from stranded assets, and to protect the planet they and their children will inhabit.

As Kimberly Nicholas, a climate scientist quoted in New Scientist says, *'There is no more important task than stabilising the climate...'* and *'What we do really really, really matters.'*

Thank you.

36/21 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 5)

The unconfirmed Minutes of the Local Pension Board, which met on 9 July 2021 were noted.

37/21 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 6)

The Committee was provided with a report by the Independent Chairman of the Pension Board.

Sean Collins noted that the Board was back up to full strength with the appointment of Elizabeth Griffiths and Marcia Slater. The Board's annual report was included as an Annex.

Sean Collins also highlighted with regard to the Board's regular reports on investment management fees that the Board had asked to ensure that we get value for money for the fees paid. This was likely to be relevant to the discussion later in the meeting on the passive allocations. One Member of the Board drew particular attention to the difference in fees between active and passive fund managers.

38/21 PASSIVE EQUITY ALLOCATION

(Agenda No. 7)

Before considering the report setting out the new passive options developed by Brunel in conjunction with FTSE Russell and Legal and General Investment Management in response to the requests from Client Funds for suitable alternatives aligned to the Paris Agreement, the Committee reviewed a slide presented by Faith Ward, Chief Responsible Investment Officer, Brunel Pension Partnership demonstrating the levers pushing the weighting of different companies up and down. She noted that both the Paris Aligned Benchmark (PAB) and the Climate Transition Benchmark (CTB) require analysis to see if companies have breached the global compact or OECD guidelines.

Sean Collins, introducing the report, noted that the two benchmarks meet the requirements of the Institutional Investors Group for Climate Change Net Zero Framework. The first bullet point under Paragraph 7 was no longer correct. For both funds, the reduction in fossil fuel reserves now matches their reduction in carbon emissions – 50% for PAB and 30% for CTB.

Sean Collins also explained that the exclusion of tobacco was there because it was part of the EU taxonomy. It was felt important to go with a standard, otherwise everyone was measuring things in different ways.

Highlighting the main differences between the two benchmarks, Sean Collins, described the PAB as more ambitious, involving immediate reductions in the fossil fuel areas.

FTSE does not have a UK Paris-aligned benchmark as it could not be sufficiently diversified. The Working Group believed that UK investment would be better pursued through active mandates and that any passive mandates should be with the Developed World.

The Working Group also agreed that retaining 15% passive was delivering better value for money and the new benchmarks were achieving much of what you would get from active anyway.

Officers favoured the CTB as being more aligned with the current Investment Strategy Statement. However, others on the Working Group favoured the more

ambitious PAB. They were agreed that there was no point in allocating less than 5% to either fund.

The Chair asked firstly if there was agreement to go with passive funds. Members of the Committee agreed.

Members expressed support for the PAB for the following reasons:

- It was the simplest and most practical approach from the point of view of the funds.
- Given the latest UN report, it was better to go with the more ambitious fund.
- Both funds were targeting the same return so that was not a factor.

Faith Ward noted that both funds excluded thermal coal and tar sands.

The Chair proposed that 15% be allocated to PAB. This was seconded by Councillor Bulmer and agreed by the Committee.

RESOLVED: to allocate the 15% passive equities to the Paris Aligned Benchmark.

39/21 CLIMATE CHANGE REPORT

(Agenda No. 8)

The Committee considered the report setting out the Fund's current arrangements for managing the climate change risk in accordance with the Task Force for Climate Related Financial Disclosures (TCFD) Template.

Gregory Ley summarised the report which also described progress in the first year since the adoption of the Climate Change Policy.

Of the four key areas identified by the Task Force, the only gap identified related to scenario analysis which needs more work. There have been discussions with Brunel around solutions.

The key target in the policy was a 7.6% emissions reduction per annum. The fund actually achieved a 17.7% reduction in 2020. The metrics also show a 30% reduction in reserves exposure over the year.

In summary, a very good start had been made in achieving the aims of the policy and the decision on the previous item would help going forward.

Members welcomed the report, describing it as a real credit to the Committee and to the officers who have worked so hard to achieve this.

RESOLVED: to note the report.

40/21 GOVERNANCE REVIEW

(Agenda No. 9)

The Committee had before it for consideration a report updating progress against each of the 10 Recommendations made in the Independent Governance Review completed by Hymans Robertson. The Committee was asked to agree a way forward.

Sean Collins introduced the report. He recommended that the meeting consider each of the 10 Recommendations in turn.

1. Develop a fund specific conflicts of interest policy

In response to questions from Members, Sean Collins suggested that there should be an annual governance review. Andrew McKerns, Hymans Robertson, confirmed that they have recommended the same format for a conflicts of interest policy across a number of Local Government Pension Schemes and that Hymans Robertson have regular discussions with the Pensions Regulator.

Recommendation a) to adopt the Conflict of Interest Policy set out in Annex 1 was proposed by the Chair and seconded by Councillor Bulmer. The recommendation was agreed.

2. Review the Constitution of the Pension Fund Committee to widen Scheme Employer Representation.

It was agreed that there was no further action required as the Committee's membership had been changed to comply with this.

3. Review the Terms of Reference for the Pension Fund Committee and Pension Board, to clarify roles and improve communication between the two bodies.

It was agreed that the deficiencies in communication between the Committee and the Local Pension Board should be overcome by the decision, already made, that the Chair attend meetings of the Board and that no amendments to the Terms of Reference were necessary.

4. To reduce key person risk and to support the findings of the Good Governance Project, the Committee should consider the establishment of a Governance Officer role. This role would be to support the Service Manager (Pensions) and service delivery of the Fund.

It was proposed to appoint a governance officer as well as a small team to support communications, training etc. There would be a budgetary implication from this decision but it would most likely fall into 2022.

Councillor Bulmer proposed recommendation b) and it was seconded by Councillor Edosomwan. The recommendation was agreed.

5. Review the agenda content for the Pension Fund Committee and Pension Board. Consider and implement an annual business meeting for the Fund.

Hymans Robertson had proposed a governance matrix and calendar to help the committee to plan its agendas across the year and focus on key issues. Officers proposed that there was a need to reduce the focus on short-term investment performance and have a more in-depth review of investment performance once a year. Hymans Robertson had also proposed holding a separate annual business meeting.

Councillor Bulmer stated that he was unconvinced of the need for a separate annual business meeting given that the business plan did not change much from year to year.

The Chair proposed to adopt recommendation c) on the basis that the annual business meeting be tried for one year as an experiment. Councillor Bulmer seconded the proposal and it was agreed.

6. Review the process for risk review at the Fund.

Sean Collins noted that the risk process is reviewed by the Committee and Board at every meeting. He recommended that there was no further action required and this was agreed by the Committee.

7. There should be a quarterly comparison of the progress on the business plan against the risk register.

Sean Collins reported that changes had been made to ensure the business plan and the risk register were aligned. He suggested that this be noted and kept under review. This was agreed by the Committee.

8. Sign off evidence should be provided by the Chair and the Committee to the Funds Annual Business Plan

Sean Collins stated that, because the plan and budget were discussed at a Committee meeting and its adoption was minuted, it was felt that no further action was required. This was agreed by the Committee.

9. The Fund should set up a single storage site for all key documents related to the Fund easily accessible to members of the Committee and the Board.

Sean Collins reported that this was in progress. Hymans Robertson's Focal Point system was being set up to hold all relevant documents and members of the Committee and Board would be given accounts to access them. It was agreed that there was no further action required by the Committee.

10. Develop a mandatory training policy including an escalation process where members of the Committee and/or Board fail to engage appropriately.

Sean Collins described the procedures proposed to ensure that members were engaged in training and that it was effective. There would also be an escalation procedure in response to any lack of engagement. He updated the report's record of training to say that all of the Board and all but one member of the Committee had

completed the knowledge assessment tool. It was the intention to tie the training programme to the Committee's and Board's agendas in order to provide training at the best time.

Members asked for guidance on the best order in which to take training. The Chair recounted that the most recent assessment he had undertaken was the toughest yet – especially on the accountancy side.

Andrew McKerns responded that the type of questions had changed somewhat this year and he was happy to take the feedback.

The Chair proposed recommendations d) and e). This was seconded by Councillor Bulmer and agreed by the Committee.

RESOLVED: to

a. Adopt the Conflict of Interest Policy as set out in Annex 1;

b. Agree the job description for a new Governance Officer role as set out in Annex 2, and agree the establishment of the new position;

c. Agree the comments on the future agendas for the meetings of the committee to be based on the key roles and responsibilities of the Committee as set out in annex 3, and in particular the proposal to focus on a review of investment performance annually, and the need for a separate annual business meeting – agreed on a one-off experimental basis;

d. Agree the proposals to amend the current Training Policy to include an annual assessment and an escalation procedure to cover cases on non-engagement with the Policy;

e. Ask Officers in conjunction with Hymans Robertson to amend the draft Training Programme as set out in Annex 4 based on the results of the initial knowledge assessment and bring the revised programme back to the December meeting for approval.

41/21 REVIEW OF THE ANNUAL BUSINESS PLAN

(Agenda No. 10)

The Committee received a report setting out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2021/22 and was asked to note it.

Sean Collins summarised the Red and Amber ratings. Work had yet to progress on robust arrangements to assess the effectiveness of the Engagement Strategy and Voting Process in advance of the 2022 Stocktake which was why this was rated Red.

Assessing investments in climate solutions was rated Amber as there was still a need to identify suitable metrics and benchmarks. Customer Satisfaction was rated Amber as they were struggling to get enough feedback.

RESOLVED: to note progress against each of the key service priorities as set out in the report.

42/21 RISK REGISTER

(Agenda No. 11)

The Committee had before it a report presenting the latest position on the Fund's risk register, including any new risks identified since the report to the last meeting. The Committee was asked to note the report.

Members expressed the opinion that they needed to do more than simply note the report. Sean Collins agreed that a stronger wording was required to reflect exactly what the Committee was required to do to take ownership.

The changes to the Risk Register were agreed.

43/21 ADMINISTRATION REPORT

(Agenda No. 12)

The Committee considered the report updating the key administration issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

Sean Collins noted that the report included a request to extend the Service Level Agreement targets as the team was struggling to meet them. The team was confident that this would be the last extension they would need. He also updated the committee on the annual benefit statements which had been a difficulty in the past. 100% of the deferred benefits and 99.5% of the active benefits statements went out by the 31 August deadline.

In response to Members' questions about late data from scheme employers, Sean Collins agreed that the escalation procedure was not as robust as it should be and this was being addressed.

The Chair asked for it to be noted that the Committee would like to see a more robust escalation procedure for recalcitrant employers.

On Recommendation d), Sean Collins reported that Audit had asked if the annual benchmarking work should be restarted. The officers' concern was that it was of little use given the difficulties in comparing performance between funds. There were other informal ways in which information was gathered.

Councillor Bulmer noted that there was a lot of useful information in the reports from Brunel.

The Chair proposed that an annual benchmarking exercise not be undertaken. This was seconded by Councillor Bulmer and agreed by the Committee.

RESOLVED to

- a) **Agree to a further extension of the reduction in SLA target, to be reviewed at the December meeting;**
- b) **Agree to the proposed changes to communication policy;**
- c) **Note the amounts written off by the Pension Services Manager; and**
- d) **Agree not to undertake an annual benchmarking exercise.**

44/21 ANNUAL REPORT AND ACCOUNTS 2020/21

(Agenda No. 13)

The Committee was asked to note this report presenting the Annual Report and Accounts for the Pension Fund and highlighting any issues raised by external audit.

Gregory Ley reported that the audit on the main financial statements was still ongoing but they had not identified any issues as of earlier this week. The budget outturn on Agenda Page 143 showed a £700,000 underspend, largely due to vacancies in administration staff.

The other point to particularly note was the failure by Prudential to provide information that should be included on Agenda Page 192. The team was checking with Audit whether this would prevent the signing off of the statements by the statutory deadline. Prudential had referred themselves to the Pension Regulator so it was well known that this problem existed.

Sean Collins noted that many local authorities has missed the deadline last year and were likely to this year. This was a national problem. He would confirm if they had referred the matter to the Pension Regulator.

Andrew McKerns confirmed that a number of funds had reported Prudential to the regulator.

It was agreed to note the reports.

45/21 ANALYSIS OF RELATIVE INVESTMENT PERFORMANCE TO MARCH 2021

(Agenda No. 14)

The Committee considered a report summarising the findings of the annual review of the investment performance of the LGPS Funds carried out by PIRC.

Peter Davies introduced the report. It showed slightly above median performance over the last year but slightly below over the last three years. This was largely due to the poor performance of the equity portfolio.

He highlighted the performance of Bromley which showed the potential rewards of active funds and non-indexed positions. It was also notable that global equities did better than UK equities.

In response to questions from Members, Peter Davies confirmed that the Bromley approach had a higher risk.

Councillor Nick Field-Johnson noted the strong performance of private equities. He had long argued that the fund should increase the proportion in private equities. Given the poor performance of property – and especially commercial property – he suggested that 2% be moved from property to private equities.

Peter Davies noted that the percentage in private equities will rise anyway due to the new investments by Brunel. It was currently 9% but would rise by just under 1% per year.

46/21 EXEMPT ITEMS

(Agenda No. 15)

RESOLVED: that the public be excluded for the duration of items 16 and 17 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

47/21 OVERVIEW OF PAST AND CURRENT INVESTMENT POSITION

(Agenda No. 16)

The Independent Financial Adviser provided the Committee with an overview of the current and future investment scene and market developments across various regions and sectors.

The information reported was noted.

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

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it was considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

48/21 OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

(Agenda No. 17)

The report set out an overview of the current and future investment scene and market developments across various regions and sectors. The Committee thanked Peter Davies, Independent Financial Adviser for the work he carried out in his role.

The report was noted.

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

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it was considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information , in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.

49/21 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT

(Agenda No. 18)

With this report the Committee was invited to raise any issues concerning Corporate Governance and Socially Responsible Investment.

Councillor Jo Robb asked if it was appropriate to raise with the Local Authority Pension Fund Forum (LAPFF) the issue of certain companies seeking to sue governments that were bringing in climate measures under the Energy Charter Treaty. Gregory Ley responded that he was happy to do that.

..... in the Chair

Date of signing

Division(s): n/a

PENSION FUND COMMITTEE – 10 SEPTEMBER 2021

GOVERNANCE REVIEW

Report by the Director of Finance

RECOMMENDATION

- 1. The Committee is RECOMMENDED to:**
 - a. Adopt the Conflict of Interest Policy as set out in Annex 1;**
 - b. Review the job description for a new Governance Officer role as set out in Annex 2, and agree the establishment of the new position;**
 - c. Comment on the future agendas for the meetings of the committee to be based on the key roles and responsibilities of the Committee as set out in annex 3, and in particular the proposal to focus on a review of investment performance annually, and the need for a separate annual business meeting;**
 - d. Agree the proposals to amend the current Training Policy to include an annual assessment and an escalation procedure to cover cases on non-engagement with the Policy;**
 - e. Ask Officers in conjunction with Hymans Robertson to amend the draft Training Programme as set out in Annex 4 based on the results of the initial knowledge assessment and bring the revised programme back to the December meeting for approval.**

Introduction

- 2. At their meeting in September 2020, the previous Committee asked Hymans Robertson to undertake an independent review of the Fund's governance arrangements. A key aspect of this work was to ensure the Committee was on the front foot in advance of the Good Governance Review that Hymans Robertson were completing for the Scheme Advisory Board.**
- 3. The final report from Hymans Robertson was presented to the Committee at their meeting in March 2021. Whilst finding that the overall standard of the governance arrangements was good, the Report did highlight 10 proposed areas for further improvement.**
- 4. One of these recommendations was in respect of the constitution of the Committee itself to ensure wider representation of the scheme employers within the Fund, and this was taken forward at the March meeting. The Committee then asked the Officers to continue to work with Hymans Robertson to develop a response to the remaining nine recommendations to be brought to this meeting. This report sets out the latest position on each of the 10 and seeks the Committee's agreement as appropriate.**

Governance Recommendations

5. The latest position on each of the 10 recommendations is set out in turn below. These have all been discussed with the Team at Hymans Robertson, who in many cases have produced the initial draft proposal following the discussions, bringing in best practice observed from across the LGPS.
6. Develop a fund specific conflicts of interest policy. The main issue behind this recommendation was the potential conflicts of interest between the County Council's role as the Administering Authority and its role as a scheme employer, including the potential conflict of interest for County Council officers, in particular the Section 151 Officer. There was also a concern about the potential conflict of interest between the role of the County Council as a Shareholder of Brunel and its client role.
7. The draft Conflicts of Interest Policy included at Annex 1 has been prepared by Hymans Robertson in conjunction with the Fund's Officers and covers the points raised above as well as the general conflicts likely to be experienced in administering the Pension Fund. The Committee are invited to adopt the draft policy.
8. Review the Constitution of the Pension Fund Committee to widen Scheme Employer Representation. This recommendation was accepted at the March Committee meeting and the Constitution amended by the full Council meeting at the end of March. The Committee is now constituted with 5 voting members from the County Council representing the Administering Authority, and 5 non-voting members representing Oxford Brookes University, the City/District Councils, scheme members, and 2 representatives of the academy sector. No further action is required on this recommendation, although the new arrangements will be kept under review.
9. Review the Terms of Reference for the Pension Fund Committee and Pension Board, to clarify roles and improve communication between the two bodies. The roles and responsibilities of the Committee and Board are set out in the relevant legislation, and on review, appropriately reflected in the terms of reference for the 2 bodies. In short, the Pension Fund Committee is responsible for the administration of the Fund, including the investment of all surplus assets, and is responsible for all decisions required to be made under the relevant legislation. The Pension Board is not a decision-making body. It's role is twofold – both to support the work of the Committee and to review that all decisions made by the Committee are consistent with the Regulations. Whilst the Committee can seek the views of the Board in advance of making a decision, the Board does not have a right to be involved in the process, unless they believe the decision has been made in breach of the Regulations.
10. The main areas of concern identified during the independent governance review was in respect of the communication between the 2 bodies. From the initial meeting of the Board, the Committee have received the draft minutes of the Board and a report from the Chairman of the Board presented by one of the

Board members. This has allowed the Committee to understand the reasoning of the Board in respect of all issues raised.

11. In advance of the governance review it had been agreed that the Board would also receive the draft minutes of the most recent Committee meeting to aid their understanding of the decisions made by the Committee. At the June meeting of this Committee, it was further agreed that a representative of the Committee would attend future Board meetings to enable the Board to better understand the decisions of the Committee and how any advice from the Board has been taken into account in arriving at final decisions. This arrangement will be kept under review to ensure communications between the 2 bodies are fully effective. No further actions are deemed necessary at this time.
12. To reduce key person risk and to support the findings of the Good Governance Project, the Committee should consider the establishment of a Governance Officer role. This role would be to support the Service Manager (Pensions) and service delivery of the Fund. This recommendation reflected the view of Hymans Robertson that there was a key risk to the Fund in that responsibility for the majority of strategic work across the Fund as a whole rested with one person – the Service Manager (Pensions). This included responsibility for the annual business plan, the risk register and key policy documents. Hymans Robertson had seen this risk mitigated in a number of Funds by the establishment of a Governance Officer role.
13. Officers have had further conversations with Hymans Robertson in respect of this recommendation and have reviewed example job descriptions of the proposed role as implemented in other Funds. It is accepted that the Fund would benefit from a team supporting the Service Manager (Pensions) looking across the whole service and working with the Administration and Investment leads in managing the key strategic documents of the Fund.
14. To strengthen the robustness of this team it is recommended that this team also picks up responsibility for managing Fund communications, as well as administering the Funds Training programme. Responsibility of these two tasks currently sit in the administration and investment teams respectively. The change would mean a change in reporting lines for the current communication manager. The work involved in administering the training programme would move across to the new team without a transfer of resource as this work forms only a small element of the work of the investment officer.
15. A draft job description for the new Governance and Communications Officer is included at Annex 2. Once agreed, this role will be subject to job evaluation to determine the grade. It will also be necessary to determine whether there is a need for a part time administration role to support the new team. In advance of the job evaluation exercise and on the assumption of a half-time administration assistant, the full year costs of the proposal would be in the range £75,000 - £85,000, although given the timescales involved in any recruitment, it is expected that these costs could be absorbed within the current year's budget, and the full year budget implications then considered as part of the 2022/23

budget for the service. The Committee are invited to review the proposed job description at Annex 2 and agree the establishment of the new post.

16. Review the agenda content for the Pension Fund Committee and Pension Board. Consider and implement an annual business meeting for the Fund. This recommendation followed on from feedback from the members of the previous Committee and Board that they felt there was often insufficient time on agendas to fully discuss the issues being presented. However, they also felt that the number and timing of meetings was appropriate.
17. Officers have been working with Hymans Robertson on this recommendation and Hymans have produced a Governance Matrix and Calendar which has been included as Annex 3 to this report. These documents set out the various responsibilities of the parties involved in the governance of the Fund and the timetable for key decisions over the next couple of years.
18. It is the aim of the Officers to ensure that reports which are presented to future meetings of this Committee are tied into these strategic roles and responsibilities. Within the Governance Matrix included at Annex 3, the role of the Committee is specified as either approve, recommend, oversight, provide specific input or to be notified. The aim is to reduce reports simply for noting – even where reports are provided for oversight or to be notified, the Committee will be asked to determine that the information presented is consistent with their regulatory roles and responsibilities or be required to agree necessary action to address any issues or report breaches of regulations to the Pension Regulator as appropriate.
19. A key decision for the Committee will be the frequency and time allocated to reports monitoring investment performance. Traditionally this item has taken up a significant proportion of the Committee's agenda time each meeting. However it is very unusual for any actions to arise from these items, as short term variations in investment performance are not deemed significant, and the advice has always been to review investment performance over a minimum of a 3 year period. It is suggested that going forward, Brunel are invited to attend the Committee annually to present on investment performance, with the time released used to focus on specific investment issues including the significant challenges associated with managing the risks associated with climate change, and reviewing the overall cash management of the Fund, ensuring the asset allocation remains appropriate to meet the cash requirements to meet all pension payments as they fall due.
20. In respect of the recommendation to hold a separate meeting of the Committee to discuss the annual business plan and budget, Officers have had further discussion with Hymans Robertson to better understand the concern that led to this recommendation. The main concern was about the input of the Committee members themselves in setting the Funds objectives for the year and whether the current process enabled them to be sufficiently engaged in setting the objectives and specific targets. Members are invited to consider this recommendation further and determine whether they wish to add an additional annual business meeting to the calendar, or whether they believe greater

engagement can be achieved through a more informal consultation exercise in advance of the normal March Committee meeting which sets the Annual Business Plan and Budget for the forthcoming year.

21. Review the process for risk review at the Fund. The further discussions with Hymans Robertson on this recommendation identified that the current process was robust and working well. Whilst the majority of risks are identified and scored by Officers, both the Committee and the Board review the Risk Register on a quarterly basis, and both have proposed additions and deletions to the risks included within the register, and variations to the risk scores. No further action is proposed at this stage.
22. There should be a quarterly comparison of the progress on the business plan against the risk register. This issue was first raised by the Pension Board and since that time amendments have been made to the risk register to indicate against each risk whether it is a risk associated with the objectives of the business plan or to the business as usual activities of the Fund. The Committee are invited to comment on whether further information is required to enable them to assess the risks to achieving the business plan, and any further changes to the format of the reports which would facilitate this assessment.
23. Sign off evidence should be provided by the Chair and the Committee to the Funds Annual Business Plan. On reflection it was agreed that as the Annual Business Plan is formally agreed by the Committee each year, an appropriately worded Committee Minute is sufficient evidence. No further action is therefore required.
24. The Fund should set up a single storage site for all key documents related to the Fund easily accessible to members of the Committee and the Board. Initial conversations with the County Council's web team identified difficulties in setting up a secure site on the Council's website that would be accessible to all members of the Committee and the Board. The difficulties related to the fact that many of the Committee and Board members are external to the County Council.
25. Further conversations were therefore held with Hymans Robertson who offered use of their Focal Point site to act as a single storage point for the Pension Fund documents. Officers already use this site to access key documents. Work has therefore been undertaken to set up access arrangements for all members of the Committee and the Board, and to populate the site with all key documents. These key documents will include all the Fund's key policy documents, copies of the monthly governance newsletters as well as other relevant training materials. Additional documents can be added as required by Committee and Board Members. It is expected that the site will be ready to go live by the time of the Committee, and all members will be provided log on details and initial training on using the site. No further action is therefore planned on this recommendation.
26. Develop a mandatory training policy including an escalation process where members of the Committee and/or Board fail to engage appropriately. This was

seen as a key recommendation by members of the Pension Board, reflecting their concern that at present whilst there is a statutory requirement that all Board members must acquire the necessary skills and knowledge to sit on the Board, there is no similar requirement for Committee Members.

27. The Committee have previously agreed a minimum training policy for all committee members. This requires all Committee members to have completed either the 3 days LGA Fundamentals Training programme, or the relevant 9 on-line modules of the Pension Regulators Trustees Toolkit, within a year of taking up their position on the Committee. The Policy then requires a minimum of 2 days continuing professional development in each subsequent year a member serves on the Committee, as well as attendance at all pre-Committee training.
28. In further discussions with Hymans Robertson, it was agreed that the current policy was appropriate, but there needed to be a more robust process around the policy to ensure compliance and assess the overall effectiveness of the training. At present, all training undertaken by Committee Members must be included in the Annual Report and Accounts. The Pension Board have agreed to include a similar record in their own Annual Report. There is though no assessment of the effectiveness of the training undertaken.
29. Following the discussions with Hymans Robertson, it is therefore proposed that we undertake an annual knowledge assessment of all members of the Committee and Board. An initial exercise was undertaken during August which at the time of writing this report all 7 members of the Pension Board and 7 of the 10 members of the Pension Fund Committee had completed. The remaining 3 members of the Committee are strongly encouraged to complete the assessment so the initial benchmark scores for the Committee and Board represent the position of the full Committee and Board. The findings of this assessment will be available shortly.
30. The progress made in terms of developing the overall skills and knowledge of the Committee and the Pension Board can then be assessed on an annual basis on completion of subsequent knowledge assessments. Hymans Robertson intend to run the National Knowledge and Assessment every 2 years and have stated that they are happy to provide an interim assessment in the intervening years. Since the initial discussions with Oxfordshire, Hymans Robertson have had discussions with a number of other Funds who would also like to adopt the model.
31. The results of the assessment exercises will be used to determine key gaps in the skills and knowledge of the Committee and the Board which can then be reflected in the annual training programme. The programme will also be based on the key strategic decisions that the Committee will be required to make during the forthcoming year. A draft programme based on the initial governance calendar has been prepared by Hymans Robertson and is included at Annex 4. This programme will be reviewed in light of the findings from the initial knowledge assessment.

32. The recommendation from Hymans Robertson also included the need for an escalation procedure for where a member of the Committee or Board fails to appropriately engage in the training programme. The recommendation proposed that any case where a member fails to engage with the approved training programme is initially raised with the Chair of the appropriate body and the Service Manager (Pensions). An initial review will need to take account the circumstances of the individual member – an appropriate level of training will differ for a new member of the Committee or Board when compared to a long serving member who has completed significant training opportunities over the course of their membership of the Committee/Board.
33. The Constitution of the Pension Board already contains provision for the termination of an individual's membership of the Board on the grounds that they can no longer demonstrate the capacity to participate in the required training, or a serious failure to comply with the Knowledge and Understanding Policy in the opinion of the Monitoring Officer. It is recommended similar clauses are added to cover termination of an individual's membership of the Committee.
34. The Committee are invited to comment on the above and ask Officers to make the necessary changes to the Training Policy, Terms of Reference of the Committee and Council Constitution as appropriate to reflect the more robust principles set out above. The Committee are also recommended to ask the Officers in consultation with Hymans Robertson to revise the draft training programme as contained in Annex 4 to reflect the results of the latest knowledge assessment and bring it back to the next meeting of the Committee for approval.

Lorna Baxter
Director of Finance

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August 2021

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Oxfordshire Pension Fund Conflicts of Interest Policy

Version	Reason for change	Date
DRAFT V1	First draft	03/08/2021
DRAFT V2	Review	04/08/2021
DRAFT V3	Review following meeting with Sean	10/08/2021
DRAFT V4	Update following Sean comments	13/08/2021

1 Background

This policy sets out how Oxfordshire County Council (the “Council”) will identify, manage and mitigate potential conflicts of interest that may arise in carrying out its role as the administering authority for the Oxfordshire Pension Fund (the “Fund”).

The Council recognises that its dual role as both an employer participating in the Fund and the body legally tasked with its management can produce the potential for conflicts of interest. Furthermore, those individuals involved in managing, overseeing or advising the Fund may, from time to time, find that they face competing incentives, financial or otherwise, as a result of their professional or personal circumstances.

It is important, therefore, that these potential conflicts are managed in order to ensure that no actual or perceived conflict of interest arises and that all the Fund’s employers and scheme members are treated fairly and equitably.

2 Objectives

- To ensure that those involved in the operation of the Fund fulfil their duties under public law to act solely in the interests of The Fund’s employers and scheme members.
- To provide confidence to scheme members, employers, regulators or any other interested parties that those responsible for the Fund are fully committed to identifying, managing and monitoring conflicts of interest.
- To minimise the risk to the Fund that conflicts of interest arise that prejudice good decision making or any other aspect of the good management of the Fund.
- To promote openness, transparency and a commitment to the Seven Principles of Public Life in all aspects of the Fund’s business.

3 Application of this policy

This policy applies to all members of the Oxfordshire CC pension committee, local pension board, Section 151 officer, officers who carry out functions on behalf of the Pension Committee and any third parties providing advice or services to the Fund.

Every individual covered by this policy must take individual responsibility for the management of potential conflicts of interest.

The Service Manager (Pensions) will be responsible for ensuring that this policy is adhered to and that any processes for managing conflicts of interest are followed.

In any situation where the Service Manager (Pensions) may have a potential or actual conflict of interest, the responsibility for ensuring that this policy is adhered to and that any relevant processes are followed shall lie with the monitoring officer for Oxfordshire CC.

4 Defining Conflicts of Interest

The Fund has adopted the definition of conflict of interest defined in The Public Service Pensions Act 2013¹;

“conflict of interest” , in relation to a person, means a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).

In addition to this policy there are other legal requirements which are also relevant to the Fund's management of conflicts of interest, these include;

- Regulation 108 of The LGPS Regulations 2013, which places duties on The Council, as the administering authority to the Fund, to be satisfied that Local Pension Board members do not have conflicts of interest on appointment to, or whilst a member of, the Board.
- The Localism Act 2011² requires elected members to comply with their own authority's code of conduct and to declare pecuniary interest and interests other than pecuniary interests.
- The 'Seven Principles of Public Life', also known as the 'Nolan Principles', with which any holder of public office is also expected to comply. These are;

Selflessness Holders of public office should act solely in terms of the public interest.

Integrity Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other

¹ Section 5(5)

² Chapter 7

material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty Holders of public office should be truthful.

Leadership Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

5 Managing conflicts of interest

The Council recognises that its dual role as both an employer participating in the Fund and the body legally tasked with its management can produce the potential for conflicts of interest to arise in certain areas. It is important that these potential conflicts are managed in order to ensure that no actual or perceived conflict of interest arises and that all the Fund's employers and scheme members are treated fairly and equitably.

These areas are considered in more detail below.

Contribution setting for employers

The setting of employer contribution rates must be done in a way that is fair and transparent. No employer or individual should be in the position to unduly influence the contribution setting process.

The Fund achieves this in the following ways:

- The Funding Strategy Statement sets out the Fund's approach to all funding related matters including the setting of contribution rates. This policy is set with regard to the advice of the Fund Actuary and is opened to consultation with all Fund employers before being formally adopted by the Pension Committee. The approach to contribution setting is based on specific employer characteristics such as its time horizon, strength of covenant and risk profile. This approach ensures consistency across all employers and removes the possibility of any employer receiving more, or less, favourable treatment.

Delivering the LGPS function for all employers

All employers within the Fund are entitled to receive the same high-quality service and support from the Fund. Equally, the expectation on employers in respect of their obligations under the LGPS are the same for all employers. There should no perception that the Council receives more favourable terms with regards to the service received from, or the obligations expected to, the Fund.

- The Fund's administration strategy sets out the way in which the Fund works with its employers and the mutual service standards expected. The policy details how the Fund will assist employers to ensure that they are best placed to meet their statutory LGPS obligations. On occasions where an employer's failure to comply with required processes and standards has led to the Fund incurring additional cost, the policy also provides for that cost to be recovered from the employer in question. This policy has been opened to consultation with all the Fund's employers and is operated in a consistent fashion across all the employer base.
- The pension fund is run for the benefit of its members and on behalf of all its employers. It is important therefore that the Fund's budget is set and managed separately from the expenditure of the Council. Decisions regarding pension fund resource are approved by the Pension Committee on recommendation from the S151 officer.

Investment decisions

The primary investment objective of the Fund is to ensure that over the long term there will be sufficient assets to meet all pension liabilities as they fall due. Investment decision have an impact on all employers within the Fund and so should reflect the long-term requirements of the Fund.

- The Investment Strategy Statement sets out how the Fund's money will be invested in order to meet future liabilities and contains the Fund's investment objectives and the asset classes in which it will invest. It also contains the Fund's approach to assessing environmental, social and governance risks and how it will act as a responsible asset owner with regard to engagement and voting shares for companies in which it is invested. The Statement also explains the Fund's approach to investments which deliver a social impact as well as a purely financial return.
- The Investment Strategy Statement is a statement of the beliefs, objectives and strategies pertaining to pension fund investments and is separate to and distinct from any policies that apply to the Council. For example, the Council may have particular strategies regarding tobacco investment as a consequence of its public health duties. This should remain distinct from the Fund's investment strategy, as set by the Pension Committee and which is operated on behalf of all Fund employers. A similar situation arises in respect of the Council's policy regarding matters such as investment in local housing or other infrastructure within the county, which remain distinct from the policies and strategies of the Pension Fund.
- From time to time the Council may pursue certain climate related goals, for example a commitment to being carbon neutral by a certain date. Actions taken in pursuit of these goals may impact on members and employees of the Council in certain ways, for example members and staff may be required to pursue low carbon travel options when travelling on Council business. Where this is the case, members and employees carrying out work related to the management of the Fund will be subject to the same polices as all other Council members or staff, insofar as they reflect operational matters. However, decisions in respect of Fund investments are made by the Pension Fund Committee on behalf of all employers in the Fund

and as such will be made independently of any such Oxfordshire County Council policies and strategies, though the Committee could independently reach the same outcomes.

- All investment decisions are taken in accordance with the Investment Strategy Statement, following appropriate professional advice. No person with a conflict of interest relating to a particular investment decision may take part in that decision.

Standards and behaviours

It is important that those managing the Fund adhere to the highest standards of public office.

- The Oxfordshire CC Code of Conduct for Members applies to all members or voting co-opted members of the Council. In addition, the code has been adopted to apply to all members of the Pension Committee and Local Pension Board. The policy sets out the Council's approach to;
 - Standards of behaviour
 - Registration of members' interests
 - Disclosable pecuniary interests
 - Sensitive interests
 - Gifts and hospitality

Pooling

The Council is one of 10 equal shareholders in the Brunel Pension Partnership ("BPP"). The shareholders, as LGPS administering authorities, also purchase investment management services from BPP. The nature of this relationship has the potential to lead to conflicts of interest that must be managed. The following mechanisms are in place.

- The interests of the shareholders of BPP and those of any specific administering authority may not always be aligned. In order to ensure that the interests of the shareholders and of those procuring services from BPP are both protected it is important that there is appropriate separation between the two functions. To achieve this separation of responsibilities, the Section 151 officer for the Council acts in a shareholding capacity while the Service Manager (Pensions) acting for the Pension Committee undertakes the client role.
- BPP has its own conflicts of interest policy, contained within the Service Agreement (specifically Schedule 7 (Manager's Conflicts of Interest Policy)) signed by all 10 client funds. This document is reviewed every 12 to 24 months and contains the key principle that "Brunel should not provide services in a manner that will advance one client's interest over another's". The policy sets out how BPP manages potential conflicts of interest through the various mechanism, which are summarised below;
 - Training staff on the types of conflicts which may arise, including providing examples of such potential conflicts
 - Adopting specific policies on potential conflict situations that may arise through the possession of inside information, such as its Market Abuse & Insider Information Policy, Personal Account Dealing Policy and Gifts & Entertainment Policy
 - Requiring all staff to disclose conflicts immediately upon becoming aware of them

- Setting out clear roles and responsibilities, both in relation to the Policy and the processes described within it
 - Maintaining a register of staff external interests to allow potential conflicts to be identified and avoided before they arise
 - Maintaining a register of instances of conflicts as they arise
 - Carrying out a rigorous assessment of any potential conflicts that are identified and adopting appropriate measures, including escalation where required, to avoid or minimise any actual conflicts, always putting clients' interests first
- It is important that no administering authority has undue influence on decisions made by Brunel. In order ensure this is the case the service agreement requires that BPP must act in the interest of the Pool as a whole and may not favour any individual or group of funds over the rest. The Shareholders Agreement requires that certain key decision must be carried with agreement from eight of the ten constituent funds. Some decisions must be carried unanimously.
 - There is a provision within the Service Agreement for individual client funds to contract separately for service from BPP. This might occur where a funds wishes to access an asset class that no other funds require. In reaching such agreements BPP must recognise its obligation to act in the interest of all Pool members and so may not enter into such an arrangement where there may be a conflict of interest with other constituent funds or where doing so may lead to a detrimental service being provided to the Pool as a whole.
 - Given the nature of the LGPS the likelihood exists that individuals with particular skills may move from employment with an administering authority to BPP or the other way around. This is perfectly appropriate, and the transfer of knowledge can be beneficial to all parties. However, it is important that there is no suggestion that any individual is in a position to influence unduly the recruitment or remuneration setting processes. This is managed by ensuring that all recruitment to BPP and to the constituent funds is carried out through a robust, open, competitive recruitment process involving HR professionals. Furthermore, key shareholder decisions such as those relating to remuneration policy must be carried unanimously by the ten funds. This ensures that no one individual has the ability to influence policy in those areas unduly.

Third parties

- The Fund requires its professional advisors, suppliers and any other third-party providing advice or services to have in place conflict management plans which set out how those firms will;
 - declare any potential conflict of interest that exists on appointment;
 - communicate with the Administering Authority on any conflicts of interest that arise during the course of the contract;
 - put in place processes that will manage those conflicts;

6 How conflicts of interest will be managed

In addition to the framework of policies set out in section 5, Oxfordshire CC will manage conflicts of interest in the following way;

Declarations of interest on appointment

On appointment to the pension committee, local pension board or to a role on the Pension Management Team, or at the date of commencement of this policy if later, all individuals will be provided with a copy of this policy and be required to complete a declaration of interest form. This information will be collated in the Fund's register of interests.

Advisers and service providers will be provided with a copy of this policy on appointment, or at the date of commencement of this policy if later. Advisers and service providers must declare any commercial or personal relationships which may result in conflicts of interest arising or which may give the perception that a conflict of interest exists or may do so in future.

Continued monitoring of potential conflicts of interest

Any individual covered by this policy must declare, at the earliest opportunity, if their circumstances change in such a way that a new potential or actual conflict of interest arises, or if a former conflict ceases to apply. The register of interests will be updated accordingly.

If any individual covered by this policy becomes aware that a pension committee meeting, local pension board meeting or any other meeting concerning matters relating to the Oxfordshire Pension Fund will contain an item that places them in a conflicted position they must advise the Chair of the meeting and Service Manager (Pensions). The Service Manager (Pensions), taking such advice as they consider appropriate will be responsible for determining the action to be taken.

From time to time a conflict of interest may arise during a meeting which was not anticipated prior to the meeting. In such cases the individual to whom the conflict pertains should advise the clerk and make an immediate declaration. Any other person may make the clerk aware if they believe an individual participating in the meeting has a conflict of interest. The clerk of the meeting and the chair, taking such advice as they consider appropriate will be responsible for determining the action to be taken.

Managing conflicts of interest

The options for managing a conflict are as follows;

- The individual is excluded from the meeting for the period during which the item pertaining to the potential or actual conflict of interest is discussed. If the item is one in which papers are not made public under Part I of Schedule 12A of the Local Government Act 1972 then the member will not have access to those papers, or minutes relating to that item.
- If the item is one at which members of the public are allowed to speak, the individual may also speak having first declared their interest. The individual must not take any further part in that agenda item including the decision-making process.
- If the Service Manager (Pensions), having taken advice that they consider appropriate, believes that an individual has a significant or persistent conflict of interest, such that it is

impossible or impractical to manage and undermines their ability to carry out their role, the individual may be removed from their position.

Job Description

This form is used to provide a complete description of the specific job and defines the required skills, knowledge, behaviours, qualifications and experience.

Section A: Job Profile

The job profile provides key information relating to the salary and working conditions e.g. location of a job, along with the current focus of the role and a brief description of the main duties.

Job Details

Job Title:	Governance and Communications Team Leader
Salary:	tba
Grade:	tba
Hours:	37 We are open to discussions about flexible working.
Team:	Pensions
Service Area:	Pensions
Primary Location:	Due to the Covid19 pandemic this role will be performed remotely for the foreseeable future. The primary location is usually Kingsgate and you will be required to work from this location and in an agile manner when government guidelines permit this.
Budget responsibility:	tba
Responsible to:	Service Manager (Pensions)
Responsible for:	Communications and Governance Officers (2)
Political Restricted Post:	Yes

Job Purpose

This is a brief overview of the key objectives of the job including the context within the team/department.

The Team Leader will be responsible for maintaining the governance arrangements for the Pension Fund including managing the future agendas of the Pension Fund Committee and Board, maintaining the Fund's risk register, supporting the development of the annual business plan and budget and the annual review of all key Fund Policies, and overseeing the training and development programme for members of the Committee and Pension Board. They will also support the regular performance reporting to Committee. They will also be responsible for overseeing the Communication Policy for the Fund and ensuring the Fund's website pages are kept up to date for both administration and investment information.

In delivering the role, the Team Leader will work closely with the Service Manager (Pensions), the Pension Administration Services Manager, the Financial Manager – Pension Fund Investments, and members of the Pension Fund Committee and Pensions Board.

Job Responsibilities

This is a bullet point list of the main duties or tasks that the post holder will be expected to undertake.

- Produce draft agenda's for the Pension Fund Committee and Pension Board ensuring all strategic and regulatory responsibilities including statutory policies are covered on a timely basis
- Maintain the Governance and Training Library for members of the Pension Fund Committee and Pension Board
- Maintain the Risk Register for the Pension Fund
- Co-ordinate the production of the Annual Business Plan and Budget for the Pension Fund
- Manage the Fund's Breaches of Regulation Policy and ensure any breaches are properly recorded and reported to the Pension Regulator as appropriate.
- Oversee all changes to the LGPS Regulations and report changes to the Pension Fund Committee as appropriate.
- Manage the Training Programme for members of the Pension Fund Committee and Pension Board, circulating all relevant training opportunities and ensuring all training attended is formally recorded.
- Oversee all Fund communications and the development and maintenance of the Fund's website pages.
- Review the Fund's Governance Policy/Compliance Statement, and Scheme of Delegation and report annual to the Committee on the outcomes.
- Ensure the appropriate performance indicators are in place and regularly updated and reported to the Pension Fund Committee and Pension Board

Section B: Selection Criteria

This section provides a list of essential and desirable criteria that detail the skills, knowledge, behaviours, qualifications and experience that a candidate should have in order to perform the job. The selection criteria provide a list of essential (no more than 8-10) and desirable criteria (no more than 4).

Each of the criteria listed below will be measured through the application form (A) and optionally - a test/exercise (T), an interview (I), a presentation (P) or documentation (D). You must provide a supporting statement as part of your application which includes examples and evidence of when you have demonstrated the criteria listed below. You will be expected to address each point separately and in the order listed. If you do not complete a full supporting statement in the requested format your application may be rejected.

Essential Criteria	Assessed By:
Education – Minimum 2 A-Levels or Equivalent, plus GCSE passes in both Maths and English	Certificates
Knowledge and Experience – Full knowledge of the LGPS Regulations	Interview
Knowledge and Experience – Minimum 3 years experience in working within an LGPS Fund	Interview/References
Personal Skills – Excellent Verbal and Written Skills	Application/Interview
Personal Skills – Ability to explain complex pension issues to non-specialists	Interview

Personal Skills – Excellent time management and ability to work to tight deadlines	Application/Interview
Personal Skills - Good IT Skills	Application/Interview
Personal Skills – Excellent Planning and Forward Thinking Skills	Application/Interview
Desirable Criteria	Assessed By:
Knowledge and Experience – Working in a Governance role including risk management	Application/Reference
Knowledge and Experience – Previous production of LGPS Governance Documents	Application/Interview
Personal Skills – Website Management/Development	Application/Interview

Section C: Pre-employment Checks

All appointments are subject to standard pre-employment screening. This will include identity, references, proof of right to work in the UK, medical clearance and verification of certificates. Further information can be found here [Pre-employment checks](#)

Additional pre employment checks specific to this role include:

<input type="checkbox"/>	Enhanced Disclosure and Barring Service check with Children’s and Adults Barred List	<input type="checkbox"/>	Enhanced Disclosure and Barring Service check without an Adult/Children’s barred list check
<input type="checkbox"/>	Enhanced Disclosure and Barring Service check with Children’s Barred List	<input type="checkbox"/>	Enhanced Disclosure and Barring Service check with Adults Barred List
<input type="checkbox"/>	Standard Disclosure and Barring Service check	<input type="checkbox"/>	Basic Disclosure
<input type="checkbox"/>	Disqualification for Caring for Children (Education)	<input type="checkbox"/>	Overseas Criminal Record Checks
<input type="checkbox"/>	Prohibition from Teaching	<input type="checkbox"/>	Professional Registration
<input type="checkbox"/>	Non police personnel vetting	<input type="checkbox"/>	Disqualification from Caring
<input type="checkbox"/>	Other (please specify):		

Section D: Working Conditions

This is a guide to the working conditions and the potential hazards and risks that may be faced by the post-holder.

Health and Safety at Work

You are responsible for your own health, safety and wellbeing, and undertaking health and safety duties and responsibilities for your role as specified within Oxfordshire County Councils Health and Safety Policy.

The potential significant hazard(s) and risk(s) for this job are identified below (those ticked).

<input type="checkbox"/>	Provision of personal care on a regular basis	<input type="checkbox"/>	Driving HGV or LGV for work
<input type="checkbox"/>	Regular manual handling (which includes assisting, manoeuvring, pushing and pulling) of people (including pupils) or objects	<input type="checkbox"/>	Any other frequent driving or prolonged driving at work activities (e.g. long journeys driving own private vehicle or a council vehicle for work purposes)
<input type="checkbox"/>	Working at height/ using ladders on a regular/ repetitive basis	<input type="checkbox"/>	Restricted postural change – prolonged sitting
<input type="checkbox"/>	Lone working on a regular basis	<input type="checkbox"/>	Restricted postural change – prolonged standing
<input type="checkbox"/>	Night work	<input type="checkbox"/>	Regular/repetitive bending/ squatting/ kneeling/crouching
<input type="checkbox"/>	Rotating shift work	<input type="checkbox"/>	Manual cleaning/ domestic duties
<input type="checkbox"/>	Working on/ or near a road	<input type="checkbox"/>	Regular work outdoors
<input type="checkbox"/>	Significant use of computers (display screen equipment)	<input type="checkbox"/>	Work with vulnerable children or vulnerable adults
<input type="checkbox"/>	Undertaking repetitive tasks	<input type="checkbox"/>	Working with challenging behaviours
<input type="checkbox"/>	Continual telephone use (call centres)	<input type="checkbox"/>	Regular work with skin irritants/ allergens
<input type="checkbox"/>	Work requiring hearing protection (exposure to noise above action levels)	<input type="checkbox"/>	Regular work with respiratory irritants/ allergens (exposure to dust, fumes, chemicals, fibres)
<input type="checkbox"/>	Work requiring respirators or masks	<input type="checkbox"/>	Work with vibrating tools/ machinery
<input type="checkbox"/>	Work involving food handling	<input type="checkbox"/>	Work with waste, refuse
<input type="checkbox"/>	Potential exposure to blood or bodily fluids	<input type="checkbox"/>	Face-to-face contact with members of the public
<input type="checkbox"/>	Other (please specify):		

Agile Working

All staff may be required to work from a different base or in a different location at some point in the future in line with any Council or school needs. Such changes will be made after proper consultation and shall be deemed to be reasonable after taking into account any personal requirements.

DRAFT FORM

Decision Making : LGPS Governance matrix

Incorporating "Good Governance" recommendations

Area	Task	Pension			Senior LGPS			
		Committee	Pension Board	Investment Pool	S151 Officer	Officer	Fund Officers	Advisors
Fund mission, objectives and beliefs	Develop Fund Mission Statement	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Agree Fund Mission Statement	Approve	Notified	N/A	Agree	Recommend	Notified	Notified
	Develop structure of the pension function	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Sign off structure	Approve	Notified	N/A	Agree	Recommend	Notified	Notified
	Develop Fund policy on representation	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Recommend to Full Council representation policy	Recommend	Notified	N/A	Agree	Agree	Notified	Notified
	Develop Fund objectives for Governance, Funding, Investment and Delivery	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Agree Fund objectives for Governance, Funding, Investment and Delivery	Approve	Notified	N/A	Agree	Recommend	Notified	Notified
	Agree Fund investment beliefs	Approve	Notified	N/A	Notified	Recommend	Specific Input	Advise
Governance functions	Develop and oversee risk management framework	Approve	Oversight	Specific Input	Agree	Recommend	Specific Input	Advise
	Monitor and oversee the Valuation process	Oversight	Notified	N/A	Oversight	Specific Input	Specific Input	Advise
	Review of Fund covenant arrangements	Oversight	Notified	N/A	Notified	Specific Input	Specific Input	Advise
	Agree assumptions to be used in valuation exercise	Approve	Notified	N/A	Notified	Agree	Specific Input	Recommend
	Agree Funding Strategy Statement	Approve	Notified	N/A	Notified	Agree	Specific Input	Recommend
	Sign off contribution rates	Oversight	Notified	N/A	Notified	Agree	Notified	Approve
	Sign off valuation results	Approve	Notified	N/A	Oversight	Agree	Notified	Recommend
	Approve adequate systems of internal controls	Approve	Oversight	N/A	Agree	Recommend	Specific Input	Advise
	Produce governance compliance statement	Approve	Oversight	N/A	Specific Input	Recommend	Specific Input	Advise
	Develop business plan (inc. budget)	Specific Input	Specific Input	N/A	Specific Input	Oversight	Specific Input	Advise
	Agree and sign off business plan	Approve	Oversight	N/A	Agree	Recommend	Specific Input	Notified
	Agree and sign off conflicts of interest policy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree and sign off administration strategy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree Administration Authority discretionary policies	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree and sign off communications policy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree and sign off training strategy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree cyber security policy and associated documents (i.e incident response plan)	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree recommendations from Independent Governance Review	Approve	Notified	N/A	Notified	Notified	Notified	Recommend
	Report breaches of the law	Specific Input	Specific Input	Specific Input	Specific Input	Specific Input	Specific Input	Specific Input
Fund Delivery	Completion of Year-end exercise/monthly data process	Notified	Notified	N/A	Notified	Oversight	Specific Input	N/A
	Annual benefit statement process	Notified	Oversight	N/A	Notified	Oversight	Specific Input	N/A
	Issue annual allowance pension savings statements	Notified	Notified	N/A	Notified	Oversight	Specific Input	Advise
	Develop appropriate key performance indicators (KPIs) - Governance compliance statement	Specific Input	Specific Input	N/A	Specific Input	Oversight	Specific Input	Advise
	Sign off KPIs	Approve	Notified	N/A	Notified	Recommend	Notified	N/A
	Manage administrator performance against KPIs (inc. outsourced)	Oversight	Specific Input	N/A	Notified	Specific Input	Specific Input	N/A
	Agree business continuity plans	Approve	Specific Input	N/A	Specific Input	Recommend	Specific Input	N/A
	Compile and publish Fund Annual report	Approve	Specific Input	N/A	Oversight	Recommend	Specific Input	Specific Input
	Recommend approval of fund accounts to relevant committee	Recommend	Notified	N/A	Oversight	Agree	Specific Input	N/A
	Agree anti-pension scam (anti-fraud) policy	Approve	Specific Input	N/A	Oversight	Recommend	Specific Input	N/A
Agree data improvement plan	Approve	Oversight	N/A	Notified	Recommend	Specific Input	N/A	
LGPS Investment	Agree asset allocation	Approve	Notified	Specific Input	Notified	Recommend	Specific Input	Advise
	Agree allocations to new asset classes	Approve	Notified	Specific Input	Notified	Recommend	Specific Input	Advise
	Agree Investment strategy statement (including RI)	Approve	Notified	Specific Input	Notified	Recommend	Specific Input	Advise
	Recommend LGPS Investment pool for Fund to Full Council	Recommend	Notified	Specific Input	Oversight	Specific Input	Specific Input	Advise
Monitoring and Oversight	Monitor the Fund's investment performance	Oversight	Notified	Specific Input	Notified	Specific Input	Specific Input	Advise
	Monitor fund managers ESG and sustainability policies	Oversight	Notified	Specific Input	Notified	Specific Input	Specific Input	Advise
	Cashflow management	Oversight	Notified	Specific Input	Oversight	Specific Input	Specific Input	Advise

Approve	Final approval to be given to a decision, usually following formal recommendation
Recommend	Recommendation of formal decision, having sought necessary advice and input from others
Advise	Professional advice
Oversight	Scrutiny of decisions or recommendations
Specific Input	Providing specific input or expertise in relation to recommendations or decisions to be taken
Agree	Agree decisions
Notified	Notified of decisions as part of overall responsibilities, where the decisions may be of interest
N/A	Specific group or individual is not impacted by the recommendations or decisions taken

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DRAFT FORM

Decision Making : LGPS Governance matrix

Incorporating "Good Governance" recommendations

Area	Task	Pension			Senior LGPS			
		Committee	Pension Board	Investment Pool	S151 Officer	Officer	Fund Officers	Advisors
Fund mission, objectives and beliefs	Develop Fund Mission Statement	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Agree Fund Mission Statement	Approve	Notified	N/A	Agree	Recommend	Notified	Notified
	Develop structure of the pension function	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Sign off structure	Approve	Notified	N/A	Agree	Recommend	Notified	Notified
	Develop Fund policy on representation	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Recommend to Full Council representation policy	Recommend	Notified	N/A	Agree	Agree	Notified	Notified
	Develop Fund objectives for Governance, Funding, Investment and Delivery	Oversight	Specific Input	N/A	Specific Input	Specific Input	Specific Input	Advise
	Agree Fund objectives for Governance, Funding, Investment and Delivery	Approve	Notified	N/A	Agree	Recommend	Notified	Notified
	Agree Fund investment beliefs	Approve	Notified	N/A	Notified	Recommend	Specific Input	Advise
Governance functions	Develop and oversee risk management framework	Approve	Oversight	Specific Input	Agree	Recommend	Specific Input	Advise
	Monitor and oversee the Valuation process	Oversight	Notified	N/A	Oversight	Specific Input	Specific Input	Advise
	Review of Fund covenant arrangements	Oversight	Notified	N/A	Notified	Specific Input	Specific Input	Advise
	Agree assumptions to be used in valuation exercise	Approve	Notified	N/A	Notified	Agree	Specific Input	Recommend
	Agree Funding Strategy Statement	Approve	Notified	N/A	Notified	Agree	Specific Input	Recommend
	Sign off contribution rates	Oversight	Notified	N/A	Notified	Agree	Notified	Approve
	Sign off valuation results	Approve	Notified	N/A	Oversight	Agree	Notified	Recommend
	Approve adequate systems of internal controls	Approve	Oversight	N/A	Agree	Recommend	Specific Input	Advise
	Produce governance compliance statement	Approve	Oversight	N/A	Specific Input	Recommend	Specific Input	Advise
	Develop business plan (inc. budget)	Specific Input	Specific Input	N/A	Specific Input	Oversight	Specific Input	Advise
	Agree and sign off business plan	Approve	Oversight	N/A	Agree	Recommend	Specific Input	Notified
	Agree and sign off conflicts of interest policy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree and sign off administration strategy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree Administration Authority discretionary policies	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree and sign off communications policy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree and sign off training strategy	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree cyber security policy and associated documents (i.e. incident response plan)	Approve	Oversight	N/A	Notified	Recommend	Specific Input	Advise
	Agree recommendations from Independent Governance Review	Approve	Notified	N/A	Notified	Notified	Notified	Recommend
	Report breaches of the law	Specific Input	Specific Input	Specific Input	Specific Input	Specific Input	Specific Input	Specific Input
	Fund Delivery	Completion of Year-end exercise/monthly data process	Notified	Notified	N/A	Notified	Oversight	Specific Input
Annual benefit statement process		Notified	Oversight	N/A	Notified	Oversight	Specific Input	N/A
Issue annual allowance pension savings statements		Notified	Notified	N/A	Notified	Oversight	Specific Input	Advise
Develop appropriate key performance indicators (KPIs) - Governance compliance statement		Specific Input	Specific Input	N/A	Specific Input	Oversight	Specific Input	Advise
Sign off KPIs		Approve	Notified	N/A	Notified	Recommend	Notified	N/A
Manage administrator performance against KPIs (inc. outsourced)		Oversight	Specific Input	N/A	Notified	Specific Input	Specific Input	N/A
Agree business continuity plans		Approve	Specific Input	N/A	Specific Input	Recommend	Specific Input	N/A
Compile and publish Fund Annual report		Approve	Specific Input	N/A	Oversight	Recommend	Specific Input	Specific Input
Recommend approval of fund accounts to relevant committee		Recommend	Notified	N/A	Oversight	Agree	Specific Input	N/A
Agree anti-pension scam (anti-fraud) policy		Approve	Specific Input	N/A	Oversight	Recommend	Specific Input	N/A
Agree data improvement plan	Approve	Oversight	N/A	Notified	Recommend	Specific Input	N/A	
LGPS Investment	Agree asset allocation	Approve	Notified	Specific Input	Notified	Recommend	Specific Input	Advise
	Agree allocations to new asset classes	Approve	Notified	Specific Input	Notified	Recommend	Specific Input	Advise
	Agree Investment strategy statement (including RI)	Approve	Notified	Specific Input	Notified	Recommend	Specific Input	Advise
	Recommend LGPS Investment pool for Fund to Full Council	Recommend	Notified	Specific Input	Oversight	Specific Input	Specific Input	Advise
Monitoring and Oversight	Monitor the Fund's investment performance	Oversight	Notified	Specific Input	Notified	Specific Input	Specific Input	Advise
	Monitor fund managers ESG and sustainability policies	Oversight	Notified	Specific Input	Notified	Specific Input	Specific Input	Advise
	Cashflow management	Oversight	Notified	Specific Input	Oversight	Specific Input	Specific Input	Advise

Approve	Final approval to be given to a decision, usually following formal recommendation
Recommend	Recommendation of formal decision, having sought necessary advice and input from others
Advise	Professional advice
Oversight	Scrutiny of decisions or recommendations
Specific Input	Providing specific input or expertise in relation to recommendations or decisions to be taken
Agree	Agree decisions
Notified	Notified of decisions as part of overall responsibilities, where the decisions may be of interest
N/A	Specific group or individual is not impacted by the recommendations or decisions taken

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DRAFT FORM

Oxfordshire Pension Fund Training Plan 2021/2022 – 2022/2023

	Q1 2021/2022		Q2 2021/2022		Q3 2021/2022	
	1 April 2021 - 30 June 2021		1 July 2021 - 30 September 2021		1 October 2021 - 31 December 2021	
1 Core CIPFA requirement	Pension Legislation (module 1)	Pension Governance (module 2)	Pension Administration (module 3)	Pension Accounting & Auditing Standards (module 4)	Pension Services Procurement & Relationship Management (module 5)	Investment Performance & Risk Management (module 6)
Outline of content	Providing a general understanding of the legislative framework as it applies to the LGPS, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the LGPS governance structure and a "who's who" of scheme governance, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of best practice in pensions administration, together with Fund policies and discretionary powers, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the Accounts and Audit Regulations and the role of internal and external audit, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the public procurement requirements as they apply to the LGPS, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the relationship between assets and liabilities, the Myners principles and the structure, operation and purpose of investment pooling arrangements, in line with CIPFA Knowledge & Skills Framework
Scheduled delivery date	tbc	24-May-21	tbc	tbc	tbc	tbc
Method of delivery	video conference/face to face - Member induction day		video conference/face to face	video conference/face to face	video conference/face to face	video conference/face to face
Delivered by						
Committee		Yes	Yes	Yes	Yes	Yes
Board		Yes	Yes	Yes	Yes	Yes
2 Business plan relevant	McCloud update	Confirm with Sean/Sally and update plan	Cyber Security	Confirm with Sean/Sally and update plan	Confirm with Sean/Sally and update plan	Valuation update
Outline of content	Ensuring members are up to date in understanding of the Fund's response to the McCloud judgement		Ensure the Committee and Pension Board are advised of this threat and what it means for the Fund			Provide initial preparation for the 2022 formal Fund valuation exercise
Scheduled delivery date	tbc	tbc	tbc	tbc	tbc	tbc
Method of delivery	video conference/face to face		Training video		meeting papers	meeting papers
Delivered by			Webinar			
Committee						
Board						
3 Current issues and ongoing training	Good Governance recommendations	PLSA Conference		ESG & RI compliance	Annual Brunel Pool meeting	
Outline of content	Ensuring members understand the likely recommendations from the SAB Good Governance review and the implications for the Fund	Trustee conference hosted by the PLSA		Ensure members have an understanding of what ESG & RI means, specifically in relationship to their stewardship of the Fund	Ensure members are abreast of the latest developments within the Brunel Pool	
Scheduled delivery date	tbc	?	tbc	tbc	tbc	tbc
Method of delivery	Briefing notes/ webinars video conference/face to face reading material training videos	video conference/face to face	Briefing notes/ webinars		video conference/face to face	
Delivered by		PLSA				
Committee		Yes				
Board		Yes				
4 Current issues and ongoing training	TPR toolkit Training videos Webinars Conferences		TPR toolkit Training videos Webinars Conferences		TPR toolkit Training videos Webinars Conferences	
Outline of content						
Scheduled delivery date	Throughout the year		Throughout the year		Throughout the year	
Method of delivery	As appropriate		As appropriate		As appropriate	
Delivered by	tbc		tbc		tbc	
Committee	Yes		Yes		Yes	
Board	Yes		Yes		Yes	

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DRAFT FORM

Oxfordshire Pension Fund Training Plan 2021/2022 – 2022/2023

	Q4 2021/2022		Q1 2022/2023	
	1 January 2022 - 31 March 2022		1 April 2022 - 30 June 2022	
1 Core CIPFA requirement	Financial Markets & Product Knowledge (module 7)	Actuarial Methods, Standards & Practices (module 8)	Pension Legislation (module 1)	Pension Governance (module 2)
Outline of content	Providing a general understanding of the risk and return characteristics of the main asset classes, the workings of the financial markets and available investment vehicles and the importance of the Fund's ISS and investment strategy decisions, in line with the CIPFA Knowledge & Skills Framework	Providing a general understanding of the role of the Fund actuary and the formal valuation process (including the FSS and inter-valuation monitoring) and the treatment of new and ceasing employers (including employer covenant) in line with the CIPFA Knowledge & Skills Framework	Providing a general understanding of the legislative framework as it applies to the LGPS, in line with CIPFA Knowledge & Skills Framework	Providing a general understanding of the LGPS governance structure and a "who's who" of scheme governance, in line with CIPFA Knowledge & Skills Framework
Scheduled delivery date	tbc	tbc	tbc	tbc
Method of delivery	video conference/face to face	video conference/face to face	video conference/face to face	video conference/face to face
Delivered by				
Committee	Yes	Yes	Yes	Yes
Board	Yes	Yes	Yes	Yes
2 Business plan relevant	Confirm with Sean/Sally and update plan	Confirm with Sean/Sally and update plan	Assessment	
Outline of content			Review of the delivery of the training plan, to include an assessment of the knowledge and understanding of the Committee and Board members	
Scheduled delivery date	tbc	tbc	tbc	tbc
Method of delivery				
Delivered by				
Committee				
Board				
3 Current issues and ongoing training	Good Governance recommendations	ESG & RI update	Valuation update	
Outline of content	Follow on from the initial Good Governance training, ensuring members are fully aware of implications for the Fund and any subsequent actions that require to be undertaken	Revisit topic to ensure members remain clear of the importance of ESG & RI matters and how they relate to their stewardship role	If required, to ensure members are up to date with regard to any specific issues relating to the Fund's 2022 valuation exercise	
Scheduled delivery date	tbc	tbc	tbc	tbc
Method of delivery	Meeting papers		tbc	
Delivered by				
Committee				
Board				
4 Current issues and ongoing training	TPR toolkit Training videos Webinars Conferences		TPR toolkit Training videos Webinars Conferences	
Outline of content				
Scheduled delivery date	Throughout the year		Throughout the year	
Method of delivery	As appropriate		As appropriate	
Delivered by	tbc		tbc	
Committee	Yes		Yes	
Board	Yes		Yes	

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Division(s): n/a

PENSION FUND COMMITTEE – 10 SEPTEMBER 2021

CLIMATE CHANGE REPORT

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the report.**

Climate Change Report

2. This report fulfils the target from the Pension Fund's Climate Change Policy Implementation Plan to produce a Taskforce on Climate-related Financial Disclosures (TCFD) based report for inclusion in the Fund's 2020/21 Annual Report.
3. The report is being produced two years ahead of the expected introduction of mandatory TCFD reporting for LGPS funds and should put the Pension Fund in a strong position in being able to meet those requirements once finalised by the Ministry of Housing, Communities & Local Government.
4. The report follows the TCFD recommended disclosures which cover four areas: Governance, Strategy, Risk Management, and Metrics & Targets. In addition, the report includes a review of the progress made by the Fund since the Climate Change Policy was agreed by the Committee in June 2020.
5. The Fund has taken a number of key actions since the Policy was agreed and has been working hard to implement the Policy. Below are highlights of some of the progress that has been made to date:
6. The Fund commissioned a Carbon Metrics Report from Brunel that included providing legacy holdings data for 2019 to enable the fund to track progress against its emissions reduction target. **The report showed that the Pension Fund achieved a reduction in Weighted Average Carbon Intensity (WACI) in the year to 31 December 2020 of 17.7% across measurable investments.** This is significantly above the Fund's annual reduction target of 7.6%.
7. The Carbon Metrics Report also showed that the WACI for the Fund was 25.4% below the WACI of the benchmark and that the Fund's exposure to fossil fuel reserves (an indicator of potential stranded asset risk) decreased by 30% over the year.
8. Contributing to the achievement of these reductions the Fund made the decision to move 5% of the overall Fund from a standard passive equity Fund to a low-carbon version and to transition its full legacy UBS global equities portfolio to

the Brunel Sustainable Global Equities portfolio rather than the initial planned destination of Core Global Equities.

9. On passive investments the Fund was clear when it made the allocation to the low-carbon passive fund that it did not believe this fully aligned with the Fund's Climate Policy and would seek a more suitable solution. After working with Brunel and other client funds two new passive fund types are being made available by Brunel and are the subject of a separate report to this Committee.
10. The Fund became a member of The Institutional Investors Group on Climate Change (IIGCC) and Climate Action 100+ to add its voice to groups seeking to support net-zero goals in the investment industry. In February 2021 the Fund was among the first investors to sign 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.
11. In December 2020 it was announced that Faith Ward, Chief Responsible Investment Officer at Brunel, had been appointed as Chair of the IIGCC. This recognises the leading work being undertaken at Brunel on Climate Change investing and puts Brunel and its clients at the forefront of global investor efforts to effect change in the investment industry.
12. The Fund has continued to operate its Climate Change Working Group bringing together a range of different participants to discuss climate issues and actions for the Fund and report back to the Committee.
13. The highlights above and further details in the TCFD report demonstrate the significant progress made by the Fund since the Climate Change Policy was agreed in June 2020 just over a year ago – moving from an informal approach to managing climate change to a more active one with an agreed Policy and Implementation Plan alongside Fund level climate targets and metrics.
14. The Fund can be proud of what it has achieved to date and will continue to work on the significant steps still to be achieved.

Lorna Baxter
Director of Finance

Contact Officer: Gregory Ley

August 2021

Oxfordshire County Council Pension Fund Taskforce on Climate-related Financial Disclosures Report 2020/21

Introduction

This is the Pension Fund's first report under the Taskforce on Climate-related Financial Disclosures (TCFD) framework and fulfils the action from the Fund's Climate Change Policy Implementation Plan to produce a first report in 2020/21.

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.

Background

Mark Carney, when he was Chair of the Financial Stability Board, was instrumental in the launch of TCFD when it was created in 2015. 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 2,300 organisations across 88 countries. The Task Force consists of 32 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 Figure 1 below.

Figure 1



(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 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 have published guidance on the implementation of the recommendations relevant to the sector in question. Figure 2 below shows the announced TCFD implementation plans in the UK.

Figure 2

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

At present there is no requirement for LGPS funds to report under TCFD or consultation on the implementation in the LGPS. However, the Ministry of Housing, Communities & Local Government has stated that it intends for TCFD reporting in the LGPS to become mandatory in 2023. The Pension Fund determined in its Climate Change Policy Implementation Plan that a TCFD report would be included in its 2020/21 Annual Report.

Below are details for the Fund under each of the TCFD’s recommended disclosures.

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 Financial Adviser who provides investment advice to the Fund including on investment strategy.

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. Climate Change is included as one of the four key items on the Pension Fund's Annual Business Plan.

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 Financial Adviser, a scheme member representative, and 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 and Brunel Oversight Board where fund representatives and Brunel meet. 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.

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 Director of Finance and is required to report progress to the Pension Fund Committee quarterly. Management receive an annual carbon metrics report which informs its reporting to Committee.

Management meets regularly with its Fund managers and has established a cycle for fund manager attendance at Committee meetings. Management engage with Brunel and other Fund Managers on climate issues and receive and consider responsible investment, including climate related, reporting 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).

Management are 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.

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), 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 Paris aligned 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 as part of 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 aims to incorporate climate change scenario analysis into the next fundamental review due in 2023. 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 ~5% of the Fund from regular market-cap index trackers to a low-carbon alternative in 2020.

Climate related risks and opportunities are considered when setting the Pension Fund's Business Plan and also informs 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 overshoot 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 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 due in 2023. Any scenario analysis would be intended to consider both the asset and liability implications for the Fund.

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 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 by 2022. The responsible Investment Sub-Group at Brunel provides an additional forum to discuss climate related risks with Brunel.

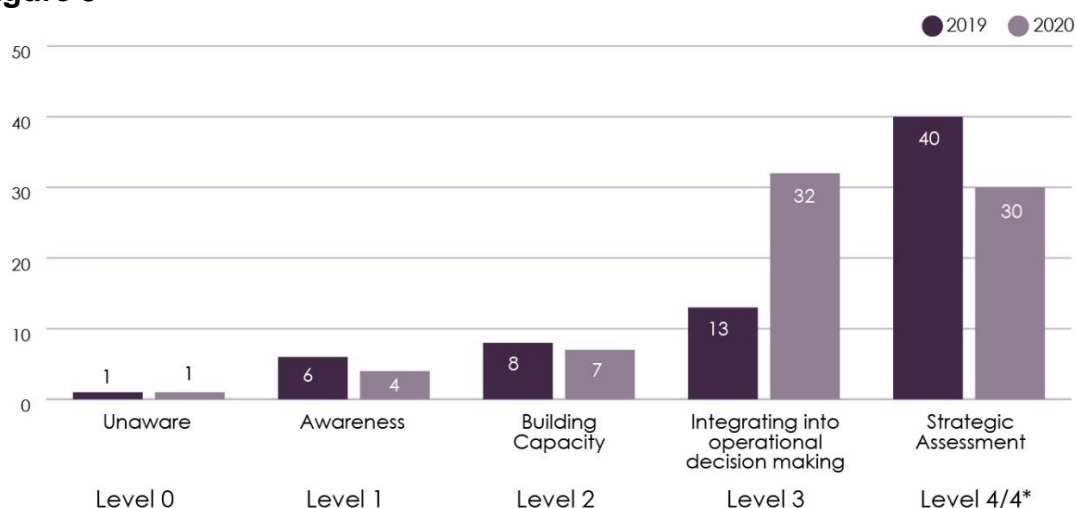
TCFD Recommended Disclosure – b. Describe the organization’s processes for managing climate-related risks.

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.

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 aspiration of all their material holdings being on TPI Level 4 by 2022 and having made meaningful progress to alignment with a 2 degree or below pathway. In some sectors, e.g. oil and gas, they will aim to stimulate more rapid change. Figure 3 below shows the available TPI scores for 2019 and 2020 across Brunel’s listed equity portfolios.

Figure 3



The Fund, through Brunel and the Fund’s membership of 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.

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 training plan to ensure appropriate skills and knowledge for those making decisions.

In appointing third parties, such as the Fund’s Independent Financial 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.

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 2020 Carbon Metrics Report. The report includes equity and fixed income assets covering ~62% 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:

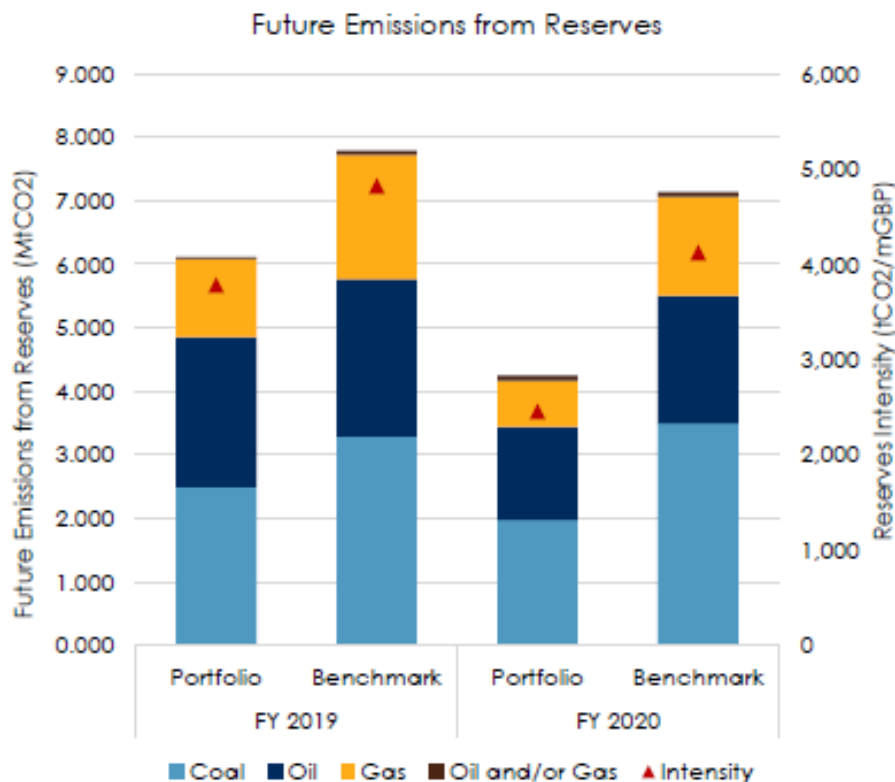
- Weighted Average Carbon Intensity
- Fossil Fuel Revenue Exposure
- Fossil Fuel Reserves Exposure
- Future Emissions from Reserves
- Disclosure Levels (Scope 1 Emissions)

Whilst the Fund does not have a specific fossil fuel reserves exposure reduction target, it does support seeking to reduce exposure over time.

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.

Figure 4 below shows fossil fuel reserves exposure for the Fund as at 31 December 2019 and 31 December 2020.

Figure 4



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.

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%. This target was met for the year ending 31 December 2020 as set out in the section below. Actions taken over the year included moving a proportion of the Fund's assets, representing 5% of the overall fund, held in passive equities to a low-carbon passive fund, and the transition of an active global equities portfolio to a global sustainable equities portfolio, representing approximately 9% of the overall Fund.

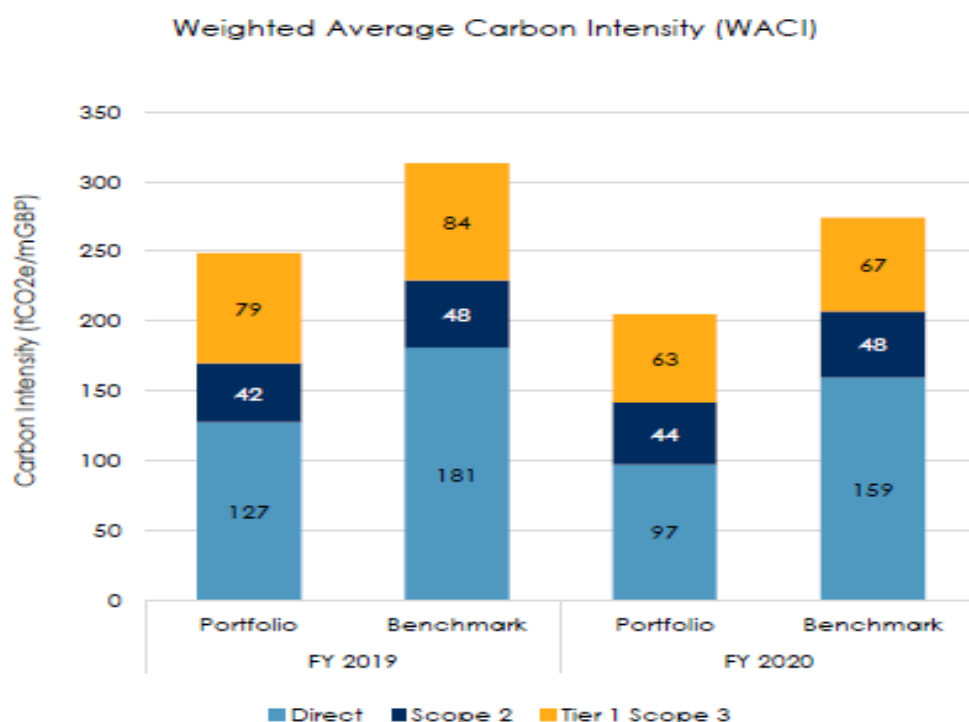
Climate Change Policy Implementation Plan Progress

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.

Figure 5 below shows the Fund's Weighted Average Carbon Intensity as at 31 December 2019 and 31 December 2020. These were 248 and 204 respectively representing **an annual reduction of 17.7%**.

Figure 5



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.

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

Since the Fund set its Policy there have been a number of key reports released assessing progress towards delivery of the Paris Agreement and the pathways to net-zero.

The 2020 Emissions Gap report was released in December 2020. The report did not release an update to the required annual reduction in GHG emissions. The report notes an expected reduction in emissions of around 7% in 2020 as a result of the COVID-19 pandemic. However, this reduction is only expected to be temporary unless countries adopt a recovery plan that supports strong decarbonization. In the

absence of any evidence-based reason to update the Fund's existing emissions reduction target no change is proposed at the current time.

In 2021 the International Energy Agency issued a report Net Zero by 2050. The report explores pathways to achieve net-zero by 2050 focusing on the Roadmap they believe to be most feasible. The report notes that the gap between rhetoric and action on climate change needs to close and that what is required is a total transformation of the energy systems that underpin our economies. In terms of emissions reductions the roadmap used in the report requires emissions reductions of 4.6% annually between 2020 and 2030.

What is clear from both reports is that despite some progress on the commitments made by governments to cut emissions they are still insufficient if the Paris Agreement goals are to be delivered. The current Climate Action Tracker estimate for the global temperature increase by 2100 based on Paris Agreement pledges and targets is 2.4°C, still significantly above the 1.5°C target. Even including targets announced by countries but not submitted to the United Nations Framework Convention on Climate Change warming is still expected to be at least 2°C by 2100.

Both reports are also clear that there is still time for a technically feasible, cost-effective, and socially acceptable pathway to achieve net zero by 2050. However, the pathways are narrow and extremely challenging and require a step up in the commitments and actions of all stakeholders across the globe. Warming is already estimated at 1.2°C in 2020 and the window for taking action before the Paris Agreement becomes unachievable is closing with every year where insufficient action is taken leading to more challenging requirements for future years.

In November 2021 the UK will host COP26 where it is hoped that momentum on improving climate action can be maintained.

Other Implementation Plan Items

The Fund's Implementation Plan sets out several actions over the near-term that the Fund 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 have worked with their client funds to develop a range of index-tracking portfolios that meet the EU criteria to be classified as a Climate Transition Benchmark or Paris Aligned Benchmark. It is intended that a report considering the use of these portfolios by the Fund will be considered by the Pension Fund Committee at its September 2021 meeting.

Brunel are due to make available a Sustainable Global Equities portfolio shortly. The Pension Fund had initially planned to transition the c.£250m global equity mandate currently managed by UBS to the Brunel Global Core Equities portfolio. While all of Brunel's portfolios operate under their Climate

Policy, the Sustainable Global Equity portfolio focuses on identifying companies that are part of the solution to material sustainability challenges.

The Pension Fund Committee determined to move the full global equity mandate managed by UBS to the Brunel Sustainable Global Equities portfolio. The transition was completed in September 2020.

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

Brunel is currently scoping its forthcoming (cycle 3) private market investment strategies. The strategies include the commitments to pro-actively seek climate and sustainable solutions, including but not limited to renewable infrastructure, as part of broader allocations.

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 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 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.

Once an appropriate metric has been developed the Fund will also explore setting a target in terms of the % of the Fund invested in climate solutions. The IIGCC is currently undertaking a piece of work looking at enabling the setting of science-based targets for investments in climate solutions with a report expected in October 2021.

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 also have a target for all their material holdings to achieve a Transition Pathway Initiative score of at least 4 by 2022 and are targeting engagement and voting action against those companies whose scores are not improving or are falling.

Brunel's voting and engagement provider Hermes EOS have a target outcome that companies' strategies and actions are aligned to the goals of the Paris Agreement. Hermes use four milestones to measure and monitor progress:

Milestone 1 Concern raised with company

Milestone 2 Acknowledgement of the issue

Milestone 3 Development of a credible strategy to address the concern

Milestone 4 Implementation of a strategy or measures to address the concern

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.

Progress is being made, for example:
52% of Climate Action 100+ focus companies are now targeting net zero at some level, although we acknowledge more detail on delivery is needed.

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.

Concluding in Autumn 2022, Brunel and its clients will undertake a climate stocktake against the policy, objectives, and targets.

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.

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.

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

The Fund has become members of The Institutional Investors Group on Climate Change (IIGCC) and Climate Action 100+. 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.

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 Fund continues to target production of a report to feed into the 2023 fundamental asset allocation review exercise. This would enable the Fund to include

scenario analysis in its 2023 TCFD report at which point it is anticipated to be a mandatory requirement from MHCLG.

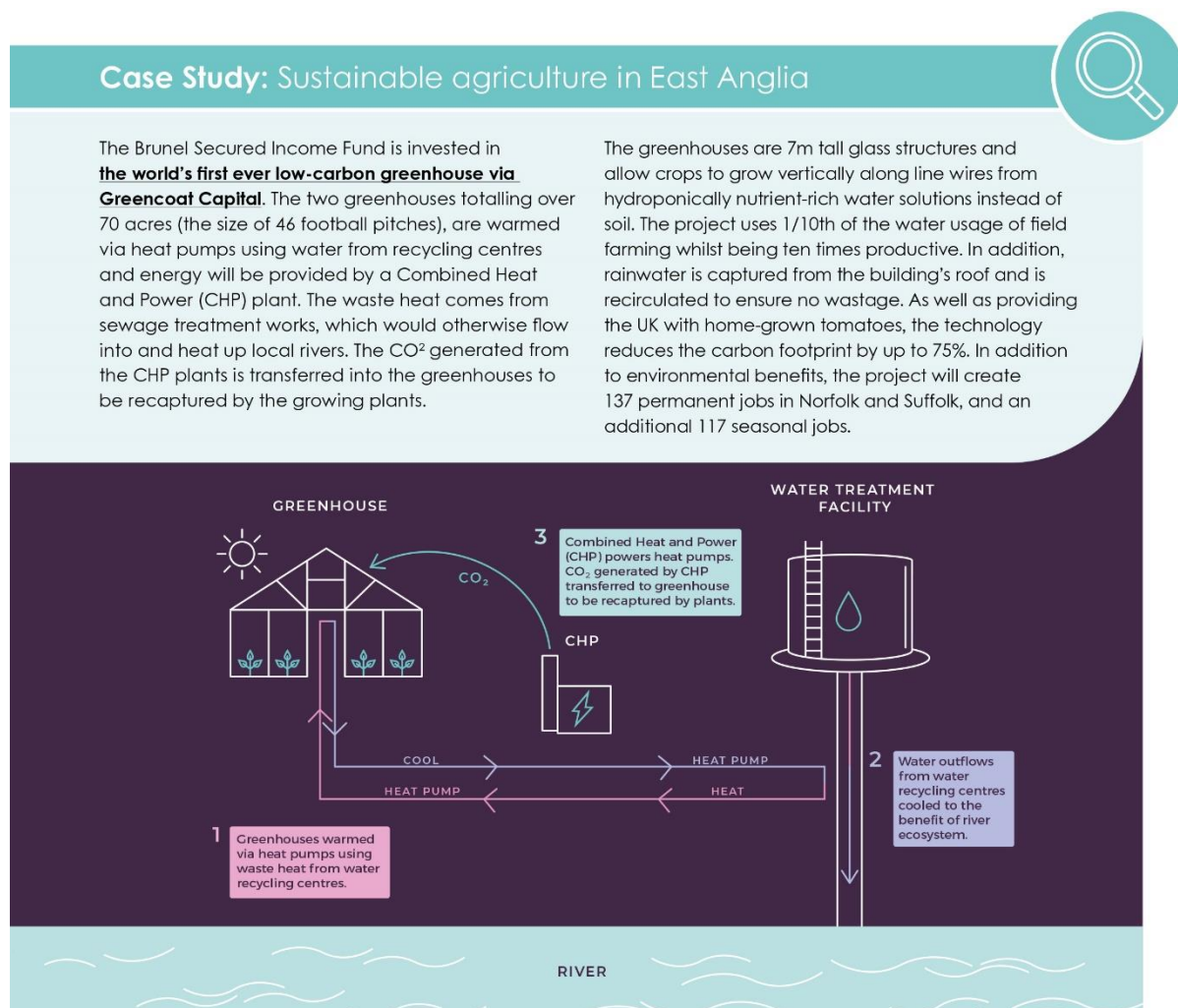
The Fund is exploring options for scenario analysis with Brunel and a discussion at the Brunel Client Group on a possible shared solution is planned.

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 studies

Below are two examples of investments with a climate focus within the Brunel portfolios the Pension Fund is invested in.



Case Study: Capital Dynamics Eagle Shadow Mountain Solar Project



Capital Dynamics has acquired Eagle Shadow Mountain Solar Project. Located near Clark County, Nevada, Eagle Shadow Mountain is the first of two clean energy projects in the region due for completion at the end of 2021.

The site is located on the Moapa River Indian Reservation and is expected to generate up to 400 new jobs during the 18-month construction period. The

Moapa River Indian Reservation has a population of less than 250 tribal residents called the Moapa Band of Paiutes. Capital Dynamics will work closely with members of the tribe and will rely heavily on their rich talent pool for both building and operating the solar and storage plants.



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Division(s): n/a

PENSION FUND COMMITTEE – 10 SEPTEMBER 2021

REVIEW OF THE BUSINESS PLAN 2021/22

Report by the Director of Finance

RECOMMENDATION

The Committee is RECOMMENDED to note progress against each of the key service priorities as set out in the report.

Introduction

1. This report sets out the latest progress against the key service priorities set in the business plan for the Pension Fund for 2021/22. The Plan was agreed by the last meeting of the old Committee in March 2021.
2. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2021/22 remain consistent with those agreed for previous years. These are summarised as:
 - To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
 - To achieve a 100% funding level
 - To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
 - To maintain as near stable and affordable employer contribution rates as possible.
3. The service priorities for the year do not include the business as usual activity which will continue alongside the activities included in the service priorities. Business as usual activities are monitored as part of the Administration Report and the report on Investment Performance.

Key Service Priorities – Progress to Date

4. There were 4 service priorities included in the 2021/22 Plan each with a number of key measures of success. The latest position on each is set out in the paragraphs below. The assessment criteria agreed by the previous Committee for each measure of success is as follows:
 - Green – measures of success met, or on target to be met
 - Amber – progress made, but further actions required to ensure measures of success delivered
 - Red – insufficient progress or insufficient actions identified to deliver measures of success

5. Deliver Key Progress on the Implementation of the Climate Change Policy. The position against the 3 agreed measures of success are set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Metrics, benchmarks and targets in place for all portfolios to assess progress against the 7.6% per annum reduction in carbon emissions - GREEN	Benchmark report produced for all equity portfolios and the corporate bond investments as at December 2019 and December 2020. Initial reductions in carbon emissions of 17.7%. Recommendation to this Committee on switch of passive allocations to new climate related benchmarks.	Work to be undertaken with Brunel to identify metrics and benchmarks for remaining portfolios.
Metrics, benchmarks and targets in place to assess progress in investing in climate solutions - AMBER	Initial conversations held with Brunel who are looking to develop metrics this year. New passive benchmarks to include tilt towards green revenues	New metrics to be agreed and aligned to latest scientific thinking. Future targets to be agreed.
Robust Arrangements in place to assess the effectiveness of the Engagement Strategy and Voting Process in advance of the 2022 stocktake - RED	No action to date – Focus has been on the development of the climate related passive benchmarks and investing in climate solutions.	Review of current engagement and voting reports to assess quality of existing target outcomes set for engagement, and how success is measured. Review voting and escalation processes and assess whether timescales for achieving desired change are realistic.

6. There have been 2 key developments in the implementation of our Climate Change Policy over the last quarter, both of which are reflected in separate reports on today's agenda. The first is the development of the new climate related benchmarks by Brunel in conjunction with FTSE Russell, and the subsequent development of new Brunel passive portfolios in conjunction with Legal and General Investment Management. As noted in the separate report,

these are significant developments in the investment industry, allowing us to address a key concern around passive investments as well as providing a secondary benchmark against which to assess the performance of the active equity portfolios.

7. The second key development is the production of our first report in line with the requirements of the Taskforce on Climate-related Financial Disclosures (TCFD). As noted in the separate report on the agenda, this TCFD report has been produced 2 years in advance of the expected statutory requirement. The report also covers the progress made in the first year since the introduction of our Climate Change Policy, which includes a 17.7% reduction in the carbon emissions of the listed equity and corporate bond portfolios, in excess of the 7.6% target annual reduction.
8. What is clear from the work on the TCFD report is that the additional requirements of delivering the full reporting associated with the implementation of our climate change policy and the impending statutory reporting is going to place an increasing burden on the Fund's Officers. A report will be brought to a future meeting of this Committee setting out the proposed additional resources required for approval.
9. Deliver further improvements to the governance arrangements of the Fund. There were 3 specific measures of success set out in the 2021/22 Business Plan in respect of this priority. The progress against these is set out in the table below.

Measure of Success	Key Progress Achieved	Outstanding Actions
New Committee Constitution in place - GREEN	New constitution agreed by full Council in March 2021, elected member appointments made in May, alongside agreement to the scheme member and Oxford Brookes University representatives. Academy and District Council representatives subsequently agreed.	None
New ways of working for the Committee and Board to be in place to satisfaction of members - GREEN	Report on all 9 outstanding recommendations on today's agenda, including proposed way forward on each.	Recommendations to be implemented.
Full Training Programme in place, with levels of	Initial skills and knowledge assessment completed	

engagement and skills and knowledge scores increasing - GREEN	for 70% of Committee Members and 100% of Board Members. Training programme and review process included in today's agenda.	
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10. A full report on the Governance review is included elsewhere on today's agenda. The report which has been produced with the support of Hymans Robertson includes an action plan to deliver against the 9 outstanding actions of the independent governance review carried out by Hymans. Agreement and implementation of the action plan will deliver the objectives included within this priority.
11. Further improve the data management arrangements between the Fund and both scheme employers and scheme members. There were 4 measures of success set for this service priority within the Business Plan, and progress against these measures is set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
Improved scores recorded in customer satisfaction surveys - AMBER	Customer satisfaction scores sent out regularly	Increase number of survey responses to build meaningful feedback.
Increase take up of Member Self Service (MSS) - GREEN		Further develop the scope of MSS and improve the functionality for scheme members.
Further Improvements in data quality scores - GREEN	Resolution of long term Guaranteed Minimum Pension (GMP) issues	Resolve outstanding issues with missing addresses and historic cases with missing data.
Clear Policy in place for calculating benefits where underpin benefits cannot be established due to missing data - AMBER	Full review of all data previously received from scheme employers and analysis of gaps underway.	Complete review of data gaps and produce policy paper for Committee setting out the scale of the issue, the key risks in collecting outstanding data and key risks associated of undertaking benefit calculations in absence of data.

12. There has been limited progress in this quarter in respect of this priority, although this is as expected as the focus has been on completing the work

necessary to produce the annual benefit statements for all active and deferred members in line with the statutory deadline of the end of August 2021 (see Administration report for further details). It should be noted that this annual exercise should itself lead to improvements to the data quality which will be reflected in the reports we now need to produce for the Pension Regulator. It is also expected that the publication of annual benefit statements to the Members Self Service portal will again lead to an increase in the numbers of members who activate their account.

13. In respect of the work associated with the McCloud judgement, we are still awaiting central guidance before we can finalise the project plan and complete the assessment of the data requirements and where policy decisions will be required by this Committee. A full report including any additional resource requirements will be brought to a future meeting of this Committee.
14. Review the arrangements with Brunel following the transition of the majority of Fund assets to Brunel portfolios. Progress against the two measures of success for this service priority are set out below.

Measure of Success	Key Progress Achieved	Outstanding Actions
All investment portfolios deliver long term performance in line with their specifications - AMBER	Officers have work through the Client Group with Brunel to agree draft format of new reports.	Introduce revised performance and assurance reports. Training session to be provided for Committee members on the assurance process.
High confidence/satisfaction scores expressed by Committee members in next client Survey - AMBER		Survey of Members to be undertaken once new reporting arrangements embedded.

15. We have now completed the transition of all listed asset classes to Brunel with 80% of the Fund's assets now invested in Brunel portfolios. The majority of the remaining 20% will transition to Brunel as money is distributed back to the Fund from the legacy private market investments, and Brunel call down the commitments already made against the new private market portfolios. Final decisions for this Committee in relation to the Diversified Growth Fund and the listed private equity investments will be taken later this financial year.
16. As reported last quarter, a number of changes have been agreed to the standard quarterly performance reports and Brunel are currently taking this forward. There has been a short delay in the project but revised reports should still be available for the Committee later this year.
17. It is intended to run a short training session for Committee members to talk through the assurance process to build confidence that the long-term

performance of the investments should be in line with the portfolio specifications. The assurance process undertaken by the Client Funds has been enhanced during the last quarter with representatives of the Client Group sitting in as observers on the meeting of the Brunel Investment Team as they carried out their latest review of the listed portfolios.

18. Part C of the Business Plan sets out the Fund's budget for 2021/22 which totals £15,588,000. The table below provides information on expenditure during the first quarter of the year and provides a forecast outturn for the year as a whole.

	Budget	YTD	%	Forecast Outturn	Variance
	2021/22	2021/22		2021/22	2021/22
	£'000	£'000		£'000	£'000
Administrative Expenses					
Employee Costs	1,335	291	22%	1,210	-125
Support Services Including ICT	812	437	54%	812	0
Printing & Stationary	82	11	14%	82	0
Advisory & Consultancy Fees	165	0	0%	165	0
Other	59	0	0%	59	0
Total Administrative Expenses	2,453	739	30%	2,328	-125
Investment Management Expenses					
Management Fees	11,316	3,007	27%	11,500	184
Custody Fees	25	10	42%	30	5
Brunel Contract Costs	1,065	268	25%	1,065	0
Total Investment Management Expenses	12,406	3,286	26%	12,595	189
Oversight & Governance					
Investment Employee Costs	263	64	24%	263	0
Support Services Including ICT	12	7	60%	15	3
Actuarial Fees	190	97	51%	190	0
External Audit Fees	40	5	12%	40	0

Internal Audit Fees	16	0	0%	16	0
Advisory & Consultancy Fees	89	9	10%	80	-9
Committee and Board Costs	61	1	2%	50	-11
Subscriptions and Memberships	58	10	17%	50	-8
Total Oversight & Governance Expenses	729	193	26%	704	-25
Total Pension Fund Budget	15,588	4,218	27%	15,627	39

19. At this time it is forecast that the expenditure for 2021/22 will total £15.827m which represents an overspend of £39,000 or 0.25%. The main element of this overspend is on investment management fees, which as previously explained are directly linked to the total assets under management. An improvement in investment performance which increases the overall value of the Fund therefore will lead to an increase in investment fees paid.
20. The only other significant variation is on the employee costs for the administration service which as covered within the Administration report elsewhere on this agenda continues to experience a number of vacancies across the team.
21. Part D of the Business Plan sets out the broad Training Plan for Committee Members, based on the draft Policy previously agreed by the Committee. As noted above, a full training programme produced in conjunction with Hymans Robertson has been included in the separate report on the governance review elsewhere on today's agenda. Once adopted, this will be monitored as part of this report in line with the process set out in the governance review.

Lorna Baxter
Director of Finance

Contact Officer
Sean Collins
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August 2021

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Division(s): n/a

PENSION FUND COMMITTEE – 10 SEPTEMBER 2021

RISK REGISTER

Report by the Director of Finance

RECOMMENDATION

1. **The Committee is RECOMMENDED to note the changes to the risk register and offer any further comments.**

Introduction

2. Previously, the Committee has agreed that the risk register should form a standard item for each quarterly meeting. A copy of the report also goes to each meeting of the Pension Board for their review. Any comments from the Pension Board are included in their report to this meeting.
3. The risk register sets out the current risk scores in terms of impact and likelihood, and a target level of risk and a mitigation action plan to address those risks that are currently not at their target score. This report sets out any progress on the mitigation actions agreed for those risks not yet at target and identifies any changes to the risks which have arisen since the register was last reviewed.
4. A number of the mitigation plans are directly linked to the key service priorities identified in the Annual Business Plan. This report should therefore be considered in conjunction with the business plan report elsewhere on this agenda.

Comments from the Pension Board

5. At their meeting on 9 July 2021, the Pension Board considered the risk register and report as presented to the June meeting of this Committee and offered no further comments.

Latest Position on Existing Risks/New Risks

6. Over the last quarter there has been little movement in the overall levels of risks faced by the Fund. The likelihood for two risks have been reduced so moving the overall assessment of these risks to Green indicating that they are now at their target risk score. Three risks remain as Amber and one risk remains as Red. No new risks have been added to the Register.
7. The likelihood of risk 6 which is an under-performance of the portfolios due to a lack of consideration of the long term ESG risks associated with the investments has been reduced from 2 to 1. This means that the risk whilst still possible is

now deemed unlikely. The basis of this decision is the stronger reporting on this area as reflected in the TCFD report elsewhere on this agenda, which better enables the Committee to monitor and mitigate this risk, and the progress made with Brunel in developing new climate related passive benchmarks which enable the significant financial risks of climate change to be better managed within a passive environment.

8. The second risk where the risk score has been reduced down to target is risk 14, which relates to the risk of regulatory breach due to a lack of skills and knowledge amongst the Fund's officers. The risk score has previously been raised due to the high turnover in the team, and the numbers of vacancies being carried. As vacancies have been filled and the new staff gain in experience the risk of significant errors have lessened, and there is no evidence to date of any significant increase in the level of errors and complaints. The risk of any significant statutory breach is now deemed unlikely.
9. There are three risks where the overall rating has remained Amber this quarter. The first of these relates to the skills and knowledge of the Committee itself. Given the number of new members on the Committee it has not been felt to be appropriate to reduce the risk score at this time. Two key actions to mitigate this risk though have progressed during this quarter. The first is the completion of the Knowledge Assessment tool run by Hymans. At the time of writing this report, the results from this work are unknown, and the risks scores will be reviewed once an initial analysis of the scores has been completed. The second mitigating action is the development of the comprehensive training programme which is included elsewhere on today's agenda for approval. Acceptance and compliance with this programme will help to mitigate this risk down to its target score.
10. The retention of the amber score for risk 20 reflects the lack of national progress on bringing forward guidance on the steps necessary to fully remedy the age discrimination identified in the McCloud court case. At the time of writing this report, the absence of clear guidance means that it is not yet possible to fully understand the risks involved in calculating the two pension figures for all those members who are entitled for their pension to be calculated under the remedy arrangements, nor the work and resources required to collect and process the information to complete the calculations. The position is similar on risk 21 which relates to the same issue in respect of the fire-fighters pension scheme, although here the risk is scored Red overall due to the increased legal action being taken by the Fire Brigades Union in support of their case.
11. The third and final risk retaining its Amber score is risk 22 which relates to the key person risk identified in the independent governance review carried out by Hymans Robertson. The recommendation elsewhere on this agenda to appoint a new Governance Officer to manage the increased workload associated with governance issues will if approved act to mitigate this risk, and enable the score to be reduced down to target following a successful appointment.
12. The only other point noted on this quarter's risk register relates to risk 18, which was the risk that the pooling arrangements imposed by the Government would

lead to an inability for the Oxfordshire Fund to deliver against its own priorities. The early evidence had allowed this risk to be scored at target. This position has been further endorsed this quarter with the development of the climate related passive portfolios which addressed one of the key priority shortfalls identified following the approval of our Climate Change Policy. This suggests that rather than pooling increasing the risk of a failure to deliver on our local agenda, pooling has in fact strengthened our position and mitigated the risk, through Brunel having a stronger position in the industry to encourage the market to develop appropriate investment offerings.

Lorna Baxter
Director of Finance

Contact Officer: Sean Collins
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August 2021

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Risk Register

Identification of Risks:

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

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

Key to Scoring

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

Page 75

Likelihood

4	Very likely	This risk is very likely to occur (over 75% probability)
3	Likely	There is a distinct likelihood that this will happen (40%-75%)
2	Possible	There a possibility that this could happen (10% - 40%)
1	Unlikely	This is not likely to happen but it could (less than 10% probability)

RAG Status/Direction of Travel

	Risk requires urgent attention
	Risks needs to be kept under regular review
	Risk does not require any attention in short term
↑	Overall Risk Rating Score is Increasing (Higher risk)
↔	Risk Rating Score is Stable
↓	Overall Risk Rating Score is Reducing (Improving Position)

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
							Impact	Likelihood	Score				Impact	Likelihood	Score		
1	Investment Strategy not aligned with Pension Liability Profile	Financial – Business as Usual	Pension Liabilities and asset attributes not understood and matched.	Long Term - Pension deficit not closed.	Service Manager	Triennial Asset Allocation Review after Valuation.	4	1	4	↔			4	1	4	August 2021	At Target
2	Investment Strategy not aligned with Pension Liability Profile	Financial – Business as Usual	Pension Liabilities and asset attributes not understood and matched.	Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	4	1	4	↔			4	1	4	August 2021	At Target
3	Investment Strategy not aligned with Pension Liability Profile	Financial – Business as Usual	Poor understanding of Scheme Member choices.	Long Term - Pension deficit not closed. Short Term – Insufficient Funds to Pay Pensions.	Service Manager	Monthly cash flow monitoring and retention of cash reserves.	3	1	3	↔			3	1	3	August 2021	At Target
4	Under performance of asset managers or asset classes	Financial – Business as Usual	Loss of key staff and change of investment approach at Brunel or underlying Fund Managers.	Long Term - Pension deficit not closed.	Financial Manager	Quarterly assurance review with Brunel. Diversification of asset allocations.	3	2	6	↔			3	2	6	August 2021	At Target
5	Actual results vary to key financial assumptions in Valuation	Financial – Business as Usual	Market Forces	Long Term - Pension deficit not closed.	Service Manager	Actuarial model is based on 5,000 economic scenarios, rather than specific financial assumptions.	3	2	6	↔			3	2	6	August 2021	At Target
6	Under performance of pension investments due to ESG factors, including climate change.	Financial – Business Plan Objective	Failure to consider long term financial impact of ESG issues	Long Term - Pension deficit not closed.	Financial Manager	ESG Policy within Investment Strategy Statement requiring ESG factors to be considered in all investment decisions.	4	1	4	↓			4	1	4	August 2021	Now at target. First TCFD report highlights that Brunel and the underlying Fund Managers are investing in line with our Policy, with carbon emissions significantly below benchmark and reducing without detrimental impact on performance. Further proposals to re-allocate passive allocations to new climate related benchmarks.

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
							Impact	Likelihood	Score				Impact	Likelihood	Score		
7	Loss of Funds through fraud or misappropriation.	Financial – Business as Usual	Poor Control Processes within Fund Managers and/or Custodian	Long Term - Pension deficit not closed	Financial Manage	Review of Annual Internal Controls Report from each Fund Manager. Clear separation of duties.	3	1	3	↔			3	1	3	August 2021	At Target
8	Employer Default - LGPS	Financial – Business as Usual	Market Forces, increased contribution rates, budget reductions.	Deficit Falls to be Met by Other Employers	Pension Services Manager	All new employers set up with ceding employing under-writing deficit, or bond put in place.	3	2	6	↔			3	2	6	August 2021	At Target
9	Inaccurate or out of date pension liability data – LGPS and FSPS	Financial & Administrative – Business Plan Objective	Late or Incomplete Returns from Employers	Errors in Pension Liability Profile impacting on Risks 1 and 2 above.	Pension Services Manager	Monitoring of Monthly returns	3	1	3	↔			3	1	3	August 2021	At Target
10	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative – Business Plan Objective	Late or Incomplete Returns from Employers	Late Payment of Pension Benefits.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	3	1	3	↔			3	1	3	August 2021	At Target
11	Inaccurate or out of date pension liability data – LGPS and FSPS	Administrative – Business Plan Objective	Late or Incomplete Returns from Employers	Improvement Notice and/or Fines issued by Pension Regulator.	Pension Services Manager	Monitoring of Monthly returns. Direct contact with employers on individual basis.	4	1	4	↔			4	1	4	August 2021	At Target
12	Insufficient resources to deliver responsibilities- – LGPS and FSPS	Administrative – Business as Usual	Budget Reductions	Breach of Regulation	Service Manager	Annual Budget Review as part of Business Plan.	4	1	4	↔			4	1	4	August 2021	At Target
13	Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Governance – Business Plan Objective	Poor Training Programme	Breach of Regulation. Loss of Professional Investor Status under MIFID II	Service Manager	Training Review	4	2	8	↔	Training Programme put in place on review of new Committee requirements.	September 2021	4	1	4	August 2021	Risk score retained above target whilst new members of the Committee are appointed and initial skills and knowledge assessment completed.
14	Insufficient Skills and Knowledge amongst – LGPS and FSPS Officers	Administrative – Business as Usual	Poor Training Programme and/or high staff turnover	Breach of Regulation and Errors in Payments	Service Manager	Training Plan. Control checklists.	3	1	3	↓			3	1	3	August 2021	Returned to target as experience of new staff group grows and no evidence of marked increase in the number of errors or complaints.

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
							Impact	Likelihood	Score				Impact	Likelihood	Score		
15	Key System Failure – LGPS and FSPS	Administrative – Business as Usual	Technical failure	Inability to process pension payments	Pension Services Manager	Disaster Recovery Programme	4	1	4	↔			4	1	4	August 2021	At Target
16	Breach of Data Security – LGPS and FSPS	Administrative – Business as Usual	Poor Controls	Breach of Regulation, including GDPR	Pension Services Manager	Security Controls, passwords etc. GDPR Privacy Policy.	4	1	4	↔			4	1	4	August 2021	At Target
17	Failure to Meet Government Requirements on Pooling	Governance – Business Plan Objective	Inability to agree proposals with other administering authorities.	Direct Intervention by Secretary of State	Service Manager	Full engagement within Brunel Partnership	5	1	5	↔	Review once Government publish revised pooling guidance.	TBC	5	1	5	August 2021	At Target
18	Failure of Pooled Vehicle to meet local objectives	Financial – Business Plan Objective	Sub-Funds agreed not consistent with our liability profile.	Long Term - Pension deficit not closed	Service Manager	Full engagement within Brunel Partnership	4	1	4	↔		On-going	4	1	4	August 2021	At Target – New passive portfolios now available in line with Climate Change Policy requirements.
19	Significant change in liability profile or cash flow as a consequence of Structural Changes	Financial – Business as Usual	Significant Transfers Out from the Oxfordshire Fund, leading to loss of current contributions income.	In sufficient cash to pay pensions requiring a change to investment strategy and an increase in employer contributions	Service Manager	Engagement with key projects to ensure impacts fully understood	4	1	4	↔	Need to Review in light of current Government consultation to switch HE and FE employers to Designating Bodies.	TBC	4	1	4	August 2021	At Target
20	Insufficient Resource and/or Data to comply with consequences of McCloud Judgement	Administrative – Business Plan Objective	Significant requirement to retrospectively re-calculate member benefits	Breach of Regulation and Errors in Payments	Pension Services Manager	Engagement through SAB/LGA to understand potential implications and regular communications with scheme employers about potential retrospective data requirements.	4	3	12	↔	Establish project plan. Respond to consultation, and work with SAB to seek guidance on mitigating key risks where data not available. Look to bring in additional resources.	On-Going	2	2	4	August 2021	Awaiting Government response to consultation exercise on new Regulations to assess full impact.
21	Legal Challenge on basis of age discrimination in Firefighters Pension Schemes	Legal & Administrative – Business Plan Objective	Pressure from Fire Brigades Union to act in advance of new Regulations	Court Order to deliver remedy	Pension Services Manager	Seeking to follow consistent approach in line with Scheme Advisory Board guidance.	4	3	12	↔	Legal Advice to be received, National Framework to be published by Scheme Advisory Board. Local Policy determined.	September 2021	4	1	4	August 2021	Still awaiting central guidance.

Ref	Risk	Risk Category	Cause	Impact	Risk Owner	Controls in Place to Mitigate Risk	Current Risk Rating			RAG Status and Direction of Travel	Further Actions Required	Date for completion of Action	Target Risk Rating			Date of Review	Comment
							Impact	Likelihood	Score				Impact	Likelihood	Score		
22	Loss of strategic direction	Governance – Business Plan Objective	Loss of key person	Short term lack of direction on key strategic issues	Director of Finance		3	2	6	↔	Review structure to strengthen governance and communication functions	December 2021	2	2	1	August 2021	Recommendation to appoint a new Governance Officer included in September Committee papers.

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PENSION FUND COMMITTEE – 10 SEPTEMBER 2021

ADMINISTRATION REPORT

Report by the Director of Finance

RECOMMENDATION

The Committee is RECOMMENDED to

- i) Agree to a further extension of the reduction in SLA target, to be reviewed at the December meeting;
- ii) Agree to the proposed changes to communication policy;
- iii) Note the amounts written off by the Pension Services Manager; and
- iv) Decide whether the fund should undertake an annual benchmarking exercise.

Executive Summary

1. This report updates the Committee on the key administration issues including the iConnect project, service performance measurement and any write offs agreed in the last quarter.

Workload and Performance

2. Previous reports have split the overall workload reporting along lines of the sections within the team. Given the interdependencies this report aims for a more holistic view of the workload.
3. Members will be aware that i-connect has now been implemented for all scheme employers with the exception of OBU and OCC, who are due to go live in September and October respectively. This has been delayed so that the annual benefit statement exercise can be finalised first.
4. Once a scheme employer has processed their monthly payroll, they can now upload their data, via i-connect, directly to the pension software. Certain checks are built into the software which will prevent erroneous data being uploaded to pension records. These checks, however, are still limited and as a result various other reports are run so that manual checks can be made, and any anomalies queried with the scheme employer. This vetting process is a key procedure to ensure not only that data is being received on a regular basis but that it meets the criteria set out in regulation for the administration of pensions.
5. The latest statistics show that the team is not keeping up with the vetting of incoming data by the 18th of the month following receipt. As at July 2021:

40.74% of returns have been vetted in the correct time frame

45.06% of returns are still to be vetted

9.25% of returns have not yet been received

4.95% of returns are queries or related to new admission agreements.

6. To address these issues team leaders are reviewing both the structure of the team and the processes in place as well as better reporting to ensure such issues are identified more quickly so that corrective action can be taken. This will then improve the flow of work to the benefit administration section who are responsible for processing the payments, answering queries, and updating member records.
7. Work also comes into the benefit administration team directly from scheme members; enquiries from scheme employers; information requests from other funds and third-party providers.
8. Over the past six months the team has been working to a reduced SLA standard, as agreed by this committee, because of new administrator training and the lack of experienced staff. At the same time there has been an increase in the volume of new cases coming into the team. Below are the headline figures – full information can be found attached at Annex 1

	SLA Overall %	Statutory Overall %	New Cases
April	57.14	54.22	1365
May	67.83	64.01	1085
June	69.37	65.12	1536
July	74.88	62.91	2047

9. Staff training continues to be a priority but as members will note from information in Annex 1 there is still a lack of experience in the more complex subjects.
10. During the last quarter the team has been working on processing end of year returns, which overall has been easier with the majority of scheme employers having transferred to i-connect. Unfortunately, this improvement did not carry over to the production of the annual benefit statements which has flagged issues particularly around post changes and aggregation resulting in records needing to be updated before producing statements.
11. Members will be aware that we are required to issue 100% of annual benefit statements by 31 August each year. The number of active and deferred statements issued will be reported at the committee meeting.
12. Fire Service – good progress has been made in clearing backlog of leaver files. At time of reporting there were 13 records to be finalised. All other statistics at 100%.

Contribution monitoring

13. This process sits within the Investment team. The chart below shows which scheme employers have been late in making payments to the fund, which are due by 19th month following payroll.

14. The only concern at present is with APCOA who are consistently late in making payment. The Investment Manager has been in contact with this employer regarding the late payments.

Missing contributions

	April	May	June	July
South Oxfordshire District Council	Redacted			
Vale of the White Horse District Council	Redacted	Redacted		
Oxford Brookes University	Redacted			
Abingdon Town Council		Redacted		
Carterton Town Council			Redacted	Redacted
CSN Resources Ltd			Redacted	Redacted
Stonesfield Parish Council	Redacted	Redacted	Redacted	
Heyford Park Parish Council			Redacted	
Blackbird Leys Parish Council		Redacted		
Oxford Archaeological Unit			Redacted	Redacted
Oxford Community Foundation			Redacted	Redacted
Oxford Homeless Pathways			Redacted	Redacted
Fusion Lifestyle				Redacted
Skanska Construction UK Ltd	Redacted	Redacted		
APCOA Parking (UK) Ltd	Redacted	Redacted	Redacted	Redacted
Oxfordshire LEP	Redacted			
The Camden Society - Lot 1			Redacted	Redacted
The Camden Society - Lot 2			Redacted	Redacted
Chartwells – GLF (Aureus Primary School and Aureus School, Didcot) (catering contract)	Redacted	Redacted	Redacted	Redacted
Clean Genie Banbury Ltd. - ODST		Redacted	Redacted	Redacted
Christopher Rawlins		Redacted	Redacted	Redacted
Clarendon Limited – Clanfield Church of England Primary School (cleaning contract)	Redacted	Redacted		

Projects

15. In the coming quarter the projects to note are as follows.
16. GMP Reconciliation – the changes were made to the April payroll for scheme members where under or over payments had been identified. GMP remains on the project list as checks and any corrections need to be applied to both active and deferred records.
17. Implementation of i-connect – bar a couple of tidy up meetings all scheme employers are fully operational on system with the exceptions of OCC and OBU. For OCC this will link up with end of year to ensure that all data is matched, and files being uploaded are monitored. Once complete process will be fully handed

back to OCC payroll for October (this has moved from July). For OBU a similar process has been followed as for OCC – the process will be handed over in September (this has moved from May)

18. Administration to Pay has been the project with the most delays to timetable. The implementations in February and March were achieved, however work on retirements has been delayed yet again.

Area of Work	Implementation date	Implemented (Y/N)
IFA out	February 2021	Y
TV out	February 2021	Y
Refunds (not including over 75s and post 14 leavers being paid more than 5 years after leaving) *	March 2021	
Retirements from active status (redundancy, efficiency, ill health, age retirement)	May 2021	Delayed
Retirements from deferred pension	July 2021	Delayed
Death **	September 2021	Delayed
Trivial Commutations	November 2021	Delayed
Fire	January 2022	Delayed

Solution being sought with software suppliers to deal with post 75 and post 14 leavers being paid after 5 years as the tax implications are different and Altair does not calculate these at present

** Deaths. Further work needs to be done in cases where death grants are split between multiple beneficiaries.

19. The next major project for the team will be the “McCloud” project which is included as part of the annual business plan.
20. All other projects are on target.

Staffing

21. In looking at current workloads and project work the next major work pressure will come out of the McCloud project. This arises from the Court case which ruled that the underpin protections applied to scheme members, in 2014 with the introduction of the CARE scheme, was unlawful because it discriminated on ground of age.
22. As a result, all scheme members as at 1st April 2012, regardless of age, are now eligible for the underpin. Whilst this does not come into play until benefits are crystallised a check must be carried out on all active, deferred and pensioner

records to determine which benefit calculation is the more generous. Initial estimates suggest this will affect in excess of 13,000 member records.

23. Whilst hour change information was requested from scheme employers post April 2014 this was not uploaded to our system. Therefore, the first task is to identify any gaps in member records, liaise with scheme employers for any missing information and then to upload this to our system. By which time it is anticipated that regulations will have been issued and software changes implemented so that new benefit calculations can be run, and adjustments made.
24. It is not feasible to consider that this work can be undertaken with current staffing structure. At the moment there are vacancies within the team equalling 4.63 FTE out of total FTE of 34.75.
25. Choosing to recruit to 4 of these vacant posts is an easy decision in one respect. However, to be effective that training needs to be undertaken in the benefit administration team which has already been under pressure due to the loss of experienced staff and training of 4 new administrators since autumn last year.
26. To avoid further pressures on the benefit administration team my proposal is:
 - Recruit 4 new administrators – costs to be met within current budget provision
 - Team Leader return from maternity in early October, albeit on part time hours. Job role to be reviewed to see what changes could be made to accommodate part time – as would need to advertise internally to cover gap to FTE which would then impact on proposal for senior administrators below.
 - Senior administrator covering this maternity will return to substantive post
 - There are 9 senior administrators over whole team, 5 of these are based in the benefit administration team. Keep 4 of these posts in current role to maintain checking and dealing with specific work areas. Then use 5th senior as a trainer.
 - The trainer would work exclusively with new recruits to speed up training process.
27. It is proposed that this should be an interim step whilst a fuller and more detailed analysis of the team structure is undertaken identify the best possible structure to deal with workloads, deliver a robust, efficient service to scheme members and scheme employers and to include succession planning.

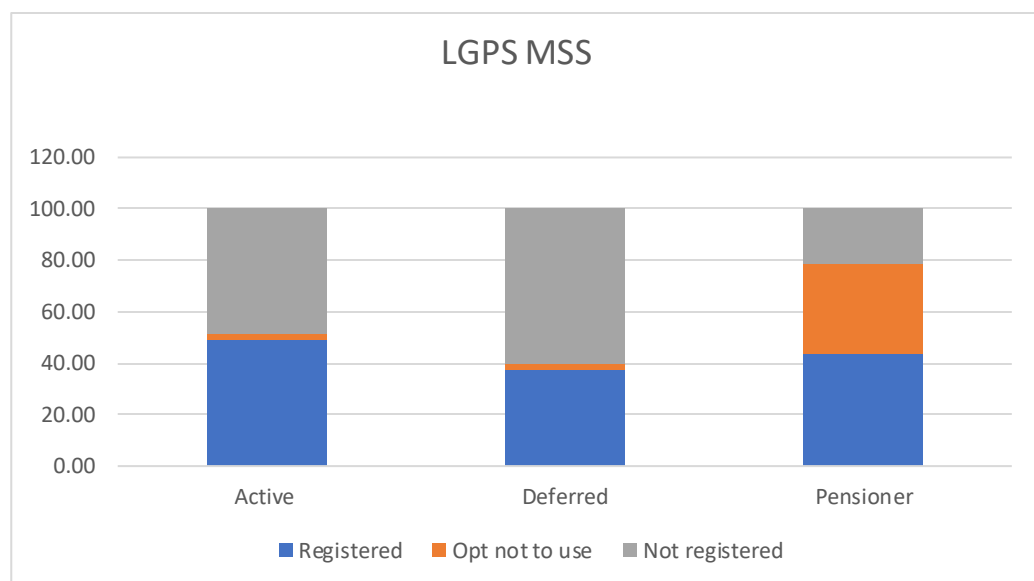
Communications

28. The fund's communication policy was last updated in 2019. A copy is at Annex 2. Member's opinion is now sought on proposed changes ahead of the employer consultation:
 - change the number of employer meetings from 4 to 2 each year to encourage better attendance and look at topics in more detail

- to consider whether the annual employer forum should be changed to triennial to coincide with valuation outcomes
- to reflect the greater use of MSS including enabling members to run personalised calculations.
- reflect the introduction of customer surveys
- Changes to member website have been completed and the next stage is to update employer web pages.

Member Self Service

29. Chart below has not changed since last quarter. The annual exercise of sending activation codes out to members who have not yet registered will take place in autumn.



Employers

30. Thame Partnership Academy Trust - despite various communications this employer has not answered questions relating to end of year, which will impact on the production of annual benefit statements. Team leaders have come up with a “work around” to enable annual benefit statements to be published. Charges for this work will be made in line with the administration strategy.
31. Ecocleen – again despite various communications, we are awaiting information to be provided by the employer. We have already issued fines in accordance with the Administration Strategy, and at the time of writing this report we were writing a final letter to the Chief Executive of the company before completing a formal referral to the Pension Regulator.

Customer Surveys – Feedback and Complaints

32. Customer surveys are sent out once a case has been completed. In June this yielded 2 responses, with an average of 3 stars and in July 15 responses with

an average of 4 stars. Overall comments were good except that responses in July generated 2 complaints.

33. Two of the three formal complaints reported last quarter are still in progress with no further updates to report.
34. Two further cases have been completed in this quarter. In one case the member had been given incorrect information which was corrected before benefits were paid and in the second regulations did not allow the member to commute benefits.
35. There are three new cases in progress which have been made to:
 - Challenge an ill health decision
 - Complain about information provided / response times
 - Revisit a transfer out some years ago.

Write Off

36. There have been four deaths in the quarter where payroll adjustments cannot be recovered amount to a write off £27.96

Prudential

37. This note is to make members aware of the current situation with Prudential, the fund AVC provider, who over a year ago implemented a change of software which has caused numerous issues that have not yet been resolved.
38. At the end of 2020 members were reporting back to the fund to say that AVCs had been deducted from their pay but not credited to their AVC account. There have also been issues of getting AVC fund values for members due to retire, getting information about AVCs and the lengthy waits for any response from the Prudential.
39. The annual benefit statement giving members information about the AVC investment are normally issued in May each year. As yet not annual benefit statements have been issued and Prudential are reluctant to confirm when this will happen.
40. Prudential has reported these issues directly to both the Pension Regulator and the Financial Conduct Authority given the impact on many LGPS funds across the UK. The Local Government Association are also aware of these issues, monitoring what is happening and representing LGPS funds. Pension managers are updating each other through their officer group meetings.
41. Since the first issue was raised monthly meetings have been held with the Oxfordshire fund client manager. This has enabled us to identify and progress the most urgent cases. However, we have little influence over the level of service and resolution of outstanding issues which is painfully slow.

42. Prudential are making sure that where there are delays in investments to individual accounts the member does not suffer any financial detriment. I have also been advised that compensation payments are being made as appropriate in cases of complaint.

Audit Report/ Benchmarking

43. Two issues raised in recent audit reports need to be referred to this committee.
44. The first is that of debt chasing. Unfortunately, I do not have a record of why the pension fund decided, at the time of implementation, not to subscribe to the IBC debt chasing services, but to do this internally. Staff changes have meant that this has not been consistently followed up. The new office administrator, appointed in June, has now sent out letters requesting payment of all overdue invoices. As yet, there is little information on the success of this exercise.
45. For both administration and investments, the value of invoices issued is £157,030.71, of which £133,729.04 is overdue for payment.
46. In line with the audit recommendation to give oversight and monitoring of these monies, a report will be submitted to this committee each quarter.
47. The second audit recommendation is to seek committee's view on whether the fund should be benchmarking administration services against other LGPS funds.
48. Previously the fund participated in the annual CIPFA benchmarking exercise until 2016. The timing of the annual exercise and gathering of all information clashed with end of year reconciliations and production of annual benefit statements. Coupled with declining number of funds signing up it was felt that time could be better spent on processing end of year.
49. Information on the number of participants and costs has been requested and will be circulated as soon as this is available.
50. Recently, another company CEM has approached the fund with their benchmarking product. The information about the LGPS clients shows that it is the much larger funds (with over 100,000 members) who have joined which is not surprising given there is a significant cost of £8,000 per annum to participate.
51. Previous participation in the benchmarking club was interesting but did not impact on the way in which administration was organised or have any other major impacts on systems. Generally, it has been found that the informal arrangements via pension manager contacts and more formally with our actuaries has proven to be more beneficial.

Contact Officer:

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August 2021

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Benefit Administration Monthly SLA Statistics			April 2021					May 2021					
Subject	Standard SLA Target	Temporary SLA Target From March 2021	Total Number Completed	Total Completed Within Target	Total Completed Over Target	% Achieved in SLA deadline	% Achieved in Legal deadline	Number of Open Cases	Total Number Completed	Total Completed Within Target	Total Completed Over Target	% Achieved in SLA deadline	% Achieved in Legal deadline
			Annual Allowance	90%	75%	0	0	0				5	3
APC	90%	75%	1	0	1	0.00		20	10	6	4	60.00	
Assistants***	90%	75%	14	12	2	85.71		164	32	18	14	56.25	
Deaths	95%	75%	29	24	5	82.76		289	46	31	15	67.39	
Divorce	95%	75%	10	9	1	90.00		12	13	13	0	100.00	
Enquiries	90%	75%	522	332	190	63.60		202	284	137	147	48.24	
HR Estimate	90%	75%	20	10	10	50.00		10	9	7	2	77.78	
Interfund In	90%	75%	12	3	9	25.00		89	50	18	32	36.00	
Interfund Out	95%	75%	33	3	30	9.09		107	29	9	20	31.03	
Leavers*	90%	75%	293	256	37	87.37	83.41	234	220	170	50	77.27	77.27
Member Estimate	90%	75%	52	26	26	50.00	50.00	15	67	45	22	67.16	67.16
Re-employments**	90%	75%	172	147	25	85.47		70	70	65	5	92.86	
Refunds	95%	75%	11	4	7	36.36		28	2	0	2	0.00	
Retirements	95%	75%	133	63	70	47.37	50.51	106	200	107	50	53.50	53.50
Transfer In	90%	75%	24	16	8	66.67	66.67	36	37	25	12	67.57	67.57
Transfer Out	95%	75%	39	8	31	20.51	20.51	89	11	6	5	54.55	54.55
Totals / Average Overall			1,365	913	452	57.14	54.22	1,471	1,085	660	382	67.83	64.01
% Split			100.00	66.89	33.11				100.00	60.83	35.21		

* Frozen, Deferred, Concurrent

** Elect to Separate, Re-emp quote, Re-emp Actual,

*** Address, Name, Nomination, IFA Requests, Transfer pack

SLA not met

Temp SLA met

Standard SLA met

Trained:

Admin Senior

Number of Open Cases	June 2021						July 2021					
	Total Number Completed	Total Completed Within Target	Total Completed Over Target	% Achieved in SLA deadline	% Achieved in Legal deadline	Number of Open Cases	Total Number Completed	Total Completed Within Target	Total Completed Over Target	% Achieved in SLA deadline	% Achieved in Legal deadline	Number of Open Cases
	2	0	2	0.00			2	0	2	0.00		2
10	5	4	1	80.00		9	4	4	0	100.00		3
223	35	17	18	48.57		97	367	287	5	78.20		210
292	67	36	31	53.73		271	45	39	6	86.67		276
12	21	21	0	100.00		9	12	12	0	100.00		13
172	572	335	237	58.57		177	550	379	171	68.91		125
12	12	7	5	58.33		16	15	3	12	20.00		6
86	74	47	27	63.51		60	38	23	15	60.53		70
123	73	7	66	9.59		82	85	43	30	50.59		62
293	349	313	36	89.68	89.68	242	434	374	60	86.18	86.18	276
26	43	26	17	60.47	60.47	41	77	47	30	61.04	61.04	24
39	50	39	11	78.00		23	33	30	3	90.91		110
26	21	20	1	95.24		19	41	32	9	78.05		17
188	168	98	70	58.33	58.33	186	255	131	124	51.37	51.37	158
28	18	10	8	55.56	55.56	28	23	19	4	82.61	82.61	31
76	26	16	10	61.54	61.54	81	66	22	44	33.33	33.33	33
1,606	1,536	996	540	69.37	65.12	1,341	2,047	1,445	515	74.88	62.91	1,416
	100.00	64.84	35.16				100.00	70.59	25.16			

0	3
1	4
2	4
1	4
1	3
2	4
4	4
3	4
7	4
3	4
7	4
5	4
3	4
2	4
3	4



Oxfordshire Pension Fund Communication Policy Statement

Version: May 2019

Introduction

1. This is the Communication Policy Statement of the Oxfordshire Local Government Pension Scheme Pension Fund ('the Fund'), established within the 1995 Regulations and now prepared under Regulation 61 of the Local Government Pension Scheme Regulations 2013 ('the regulations').

Purpose

2. This policy sets out the Oxfordshire Pension Fund's strategy for its communications with members and Scheme Employers.
3. The policy applies, in the context of LGPS administration, to members as defined in Schedule 1 of the principal regulations and, in turn, by section 124(1) of the Pensions Act 1995 to include:
 - Active members
 - Deferred members, and
 - Pensioner members
 - Pensioner credit members
4. Scheme Employers, as defined within the regulations, including Teckal companies:
 - Statutory Scheduled Bodies such as the County and District Councils, Colleges of Further Education and Oxford Brookes University; Academies
 - Designating Bodies, including the Town and Parish Councils
 - Admission Bodies, where the Pension Fund Committee have granted scheme admission within the terms of Part 3 Schedule 2 of the Regulations
5. The regulations require the policy statement is prepared, written and published, and for these purposes publish means being accessible on the publically available pensions website.

Aim

6. To assist all individual employers to fulfil their statutory role in the Oxfordshire Fund by providing regular current information and access to alternative resources

7. To ensure that members have access to scheme information, notice about proposed and actual changes and are aware of the process to lodge questions and appeals.
8. To enable the Scheme Manager / Administering Authority to discharge their respective responsibilities in accordance with the Local Government Pension Scheme Regulations 2013 (as amended); The Occupational and Personal Pension Schemes (Disclosure of Information Regulations 2013 (as amended) and The Pension Regulator Guidance.

Communication Policy

9. The development and introduction of the 2013 scheme was supported nationally by websites and guidance for both employers and scheme members. Our Fund communications will continue to reference these national resources as well as material provided by the Fund's advisors.
10. Local communications, intended audience, publication media and frequency are explained in the annex to this policy, which should be read in conjunction with the Administration Strategy.
11. The continuing encouragement to use the national resources will avoid duplication. Oxfordshire Pension Fund supports those national developments financially and by active engagement with the working group, which concentrates on member communications. The Fund will continue to support collaboration and development of communication media with other administering authorities.
12. The Fund maintains a website which provides access to member guides, forms and information. The Fund requests that employers provide a copy of the member Brief Guide or the link to the website to all new employees on commencing employment, helping to ensure that scheme information is available within disclosure timetable to members and those eligible to join.
13. The Fund maintains a dedicated area of the website to provide resources and information for employers.
14. Member Self Service (My Oxfordshire Pension) using a secure online web portal hosted by Aquila Heywood, is available for the whole membership. Registered members can a) look at generic scheme information b) view personal correspondence such as letters and annual benefit statements and c) keep their personal details up to date.

15. The team focus is now integrating My Oxfordshire Pension with standard work processes. Increasing take up across all membership groups is a continuous project
16. The Fund has not created a profile on any social media such as Twitter or Facebook; no requests for such access have been received and there is currently no perceived benefit for these to be created.

Review of the Policy

17. We will undertake annual reviews of the Communications Policy considering feedback invited at meetings, training and monthly newsletters.

Annex A

Fund Publications

	Available to:	Media	Frequency
Pension Fund Report & Accounts	Scheme employers Pension Fund Committee MHCLG Scheme members	Website Paper on request Email 'My Oxfordshire Pension'	Annual
Annual Benefit Statement	Scheme members	Paper on request 'My Oxfordshire Pension'	Annual
Newsletter – Members	Active Scheme members,	Website Paper on request Email (assisted by employers) 'My Oxfordshire Pension'	Quarterly
	Deferred	Website Paper on request 'My Oxfordshire Pension'	Annual
	Pensioner members	Website Paper on request 'My Oxfordshire Pension'	Annual to tie in with pensions increase notification
Newsletter - Employers	Scheme employers	Website Email	Monthly
P60	Pensioner members	Paper on request 'My Oxfordshire Pension'	'My Oxfordshire Pension' available to view on demand
Payslip	Pensioner members	Paper on request 'My Oxfordshire Pension'	Posted where variance is >£1 'My Oxfordshire Pension' available to view on demand

	Available to:	Media	Frequency
Guides for New Employers	Scheme employers	On line employer toolkit, includes essential guidance for new employers Paper on request Email	As required

Meetings and forums

Meeting Type	Available to:	Purpose of meeting	Frequency
Employer Forum	Scheme employers	Review of topical issues in fund investment and scheme administration affecting fund employers and members benefits	Annual
Employer User Group	Scheme employers	Review administration, regulation changes, share experience with peer group	Quarterly
Intro to LGPS Training	Scheme employers	Brief course to cover the statutory employer role and regular returns	4 per year or as required
Ad hoc training	Scheme employers	Cover specific subjects for either single employer or a group of employers	By appointment
Presentations	Scheme members Scheme employers		By appointment
Attendance at employer pre-retirement seminars or new member/ employee inductions	Scheme members		By appointment
One to one meeting	Scheme members		By appointment

Other Services

Telephone helpline to Pension Services (Low call rate) Pensioner payroll enquiry help line Employer helpline
Dedicated email addresses to Pension Services Member and employer enquiries Dedicated email address for employer monthly returns
'My Oxfordshire Pension' web portal dedicated telephone help line
Oxfordshire Pension Fund website (promoted in our publications above)
National websites (promoted in our publications above)

*"Scheme members" unless otherwise described includes prospective members, active members, deferred members, pensioners and members' representatives.

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