

## Oxfordshire Pension Fund: Business Plan 2016/17

### Service Manager - Pensions & Treasury Management: Sean Collins

#### Service Definition:

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

#### Our Customers:

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

#### Key Objectives:

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

## Part A: Service Activities

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

## Part B – Service Priorities

Task	Actions	Measures of Success
<p>Develop a proposal for future pension investment collaboration in accordance with the criteria and timetable set out by the Government.</p>	<p>Work with like-minded funds in Project Brunel to agree detailed governance arrangements, investment sub-funds etc.</p> <p>Work across the LGPS with all pools to create national arrangements where deemed most appropriate.</p>	<p>Report signed off by full council in July 2016 and accepted by Government as the basis of future work.</p> <p>Delivery of those aspects of the implementation plan in accordance with the proposal by April 2017.</p>
<p>Manage the 2016 Valuation.</p>	<p>Liaise with the Fund Actuary to agree funding strategy and key assumptions for the Valuation.</p> <p>Provide to the Actuary all employer data to the required quality and timetable.</p> <p>Liaise with scheme employers to manage their expectations on the Valuation results and timetable.</p>	<p>Valuation results published in accordance with agreed timetable, and accepted and understood by scheme employers.</p>
<p>Develop a more sophisticated Cash Flow Model to identify future investment requirements of the fund over the medium term..</p>	<p>Work with the large scheme employers to understand their key strategic direction in so far as it relates to their LGPS workforce.</p> <p>Work with the Fund Actuary to develop a technical model which allows liability, contribution and investment income forecasts to be modelled for the potential scenarios discussed with the scheme employers.</p> <p>Develop an understanding of the alternative investment classes that</p>	<p>Cash flows managed to ensure all pension liabilities are met as they fall due, with minimal impact on employer contribution rates.</p>

	can deliver investment returns in line with the projected liability profile.	
Develop a more robust risk management model.	<p>Redesign the current risk register to ensure it covers all risks, and includes a target level for each risk, and an action plan for bringing all risks to target.</p> <p>Develop an approach which allows all risks to be actively monitored, and the risk register to become a live document.</p>	<p>Improvement in the current scores against the Scheme Advisory Board's key performance indicator on risk management.</p> <p>No unforeseen events which damage the performance of the fund against its key objectives.</p>
Develop more sophisticated management arrangements to ensure all Pension Fund data is kept in accordance with the requirements of the Pension Fund Regulator	<p>Undertake full training to fully understand the requirements of the Pension Regulator.</p> <p>Develop meaningful management reports on data quality, and sampling checks to test the data is in accordance with the Regulators Standards.</p> <p>Work with scheme employers to ensure all requirements are understood and data submitted accurately and timely.</p>	<p>No issues raised by the Pension Regulator.</p> <p>Reduced levels of queries and complaints from Scheme Members.</p>

## Part C. Budget:

	<b>2016/17 Budget</b>	<b>2015/16 Budget</b>
	<b>£'000</b>	<b>£'000</b>
<b>Administrative Expenses</b>		
Administrative Employee Costs	1,043	915
Support Services including ICT	393	343
Printing and Stationery	51	40
Advisory and Consultancy Fees	45	30
Other	44	39
	<b>1,576</b>	<b>1,367</b>
<b>Investment Management Expenses</b>		
Management Fees	6,540	4,290
Custody Fees	70	100
Other	0	50
	<b>6,610</b>	<b>4,440</b>
<b>Oversight and Governance</b>		
Investment Employee Costs	224	260
Support Services Including ICT	40	50
Actuarial Fees	75	75
External Audit Fees	24	25
Internal Audit Fees	14	14
Advisory and Consultancy Fees	113	275
Committee and Board Costs	48	48
	<b>538</b>	<b>747</b>
<b>Total Pension Fund Budget</b>	<b>8,724</b>	<b>6,554</b>