

**Oxfordshire Pension Fund: Business Plan 2018/19**

**Service Manager - Pensions: Sean Collins**

**Service Definition:**

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

**Our Customers:**

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

**Key Objectives:**

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

## Part A: Service Activities

Service Activity	Outputs	Outcomes
<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, and the Pension Regulator</p> <p>Implementation of actions arising from regulation changes</p>

## Part B – Service Priorities

Task	Actions	Measures of Success
<p>Contribute to the planning and delivery of the asset transition programme for the Brunel Pension Partnership.</p>	<p>Work with the Company and Client Group to develop the tax transparent vehicle to manage the equity transitions.</p> <p>Work with the Company, Client Group and Transition Manager on the transition plan.</p> <p>Work with the company and Client Group to monitor the development of the Partnership against the initial Business Case.</p>	<p>Successful transition of all public equity assets to the new Brunel portfolios by 31 March 2019.</p> <p>Establishment of Private Market portfolios to allow investment of new money during 2018/19.</p> <p>Initial transitions managed in line or better than financial assumptions included in business case.</p>
<p>Review the Funding Strategy and Investment Strategy Statements to meet the requirements of future cash flows, and employer covenants and risk appetites.</p>	<p>Work with the large scheme employers to understand their key strategic direction in so far as it relates to their LGPS workforce, and their risk appetite.</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>Review employer covenants and the different risk appetites expressed by employers and determine any changes required to the Funding Strategy Statement.</p>	<p>Cash flows managed to ensure all pension liabilities are met as they fall due, with minimal impact on employer contribution rates.</p> <p>Investment Strategy and Funding Strategy Statements reviewed and aligned to meet risk and cash flow levels and to feed into the 2019 Valuation process.</p>
<p>Develop more sophisticated management arrangements to ensure all Pension Fund data is kept in accordance with the requirements of the Pension Fund Regulator</p>	<p>Complete the outstanding work on the backlog of leavers.</p> <p>Review the current data collection arrangements, including benchmarking practices across other Funds, and looking at options to automate more of the process through i-connect.</p>	<p>No issues raised by the Pension Regulator.</p> <p>Annual Benefit Statements, Deferred Benefit Statements etc issued in accordance with Statutory Timescales</p> <p>Reduced levels of queries and complaints from Scheme Members.</p>

	<p>Develop and implement action plans to address the issues highlighted in the data quality reports.</p> <p>Work with scheme employers to ensure all requirements are understood and data submitted accurately and timely, and all omissions are promptly escalated.</p>	
<p>Develop a more robust approach to monitoring Fund Manager performance in respect of delivery against the Fund's governance policies.</p>	<p>Determine measures which help determine compliance with the agreed ESG policies, and set benchmarks against which to judge Fund Manager performance.</p> <p>Develop a suite of reports to measure performance against benchmarks.</p> <p>Review Fund Manager performance against benchmarks and follow up all exceptions as part of the Committee's regular monitoring of investments</p>	<p>Benchmark data published, and regular reports made publicly available at quarterly Committee meetings.</p> <p>Clear audit trail of fund management review process published.</p>
<p>Improve Scheme Member Communications</p>	<p>Launch Member Self Service to all deferred and active scheme members who are happy to sign up.</p> <p>Monitor take up of MSS, as well as activity in terms of numbers accessing newsletters etc, and revise service as appropriate.</p>	<p>Reduction in the number of simple tasks being undertaken by the team, in response to paper requests.</p>

## Part C. Budget:

	<b>2018/19 Budget</b>	<b>2017/18 Budget</b>
	<b>£'000</b>	<b>£'000</b>
<b>Administrative Expenses</b>		
Administrative Employee Costs	1,523	1,240
Support Services including ICT	608	447
Printing and Stationery	61	51
Advisory and Consultancy Fees	115	30
Other	40	29
	<b>2,347</b>	<b>1,797</b>
<b>Investment Management Expenses</b>		
Management Fees	8,415	7,436
Custody Fees	159	75
Brunel Development Costs	0	75
Brunel Working/Regulatory Capital	0	200
Brunel Contract Costs	650	330
	<b>9,224</b>	<b>8,116</b>
<b>Oversight and Governance</b>		
Investment Employee Costs	247	240
Support Services Including ICT	11	40
Actuarial Fees	40	40
External Audit Fees	24	24
Internal Audit Fees	14	14
Advisory and Consultancy Fees	65	64
Committee and Board Costs	39	48
	<b>440</b>	<b>470</b>
<b>Total Pension Fund Budget</b>	<b>12,011</b>	<b>10,383</b>