OXFORDSHIRE PENSION FUND
REPORT AND ACCOUNTS 2022/23

Registered Number: PS049/20

CONTENTS

FOREWORD TO THE 2022/23 PENSION FUND REPORT AND ACCOUNTS BY THE DIRECTOR OF FINANCE

Introduction

After several years of significant change, 2022/23 was in many ways a year of consolidation and steady progress, although this was in large part due to significant delays in the publication of a number of expected Government proposals. The expected consultations on the future pooling arrangements, investments to support the levelling up agenda, the introduction of improved climate change reporting in line with the requirements of the Taskforce for Climate-related Financial Disclosures (TCFD), good governance and implementing the McCloud remedy to the age discrimination introduced under the Government reforms from 2014 all failed to see the light of day during 2022/23.

That was not to say that 2022/23 was without its highlights, key amongst these being the 2022 Valuation and the setting of the new employer contribution rates for the three years from 1 April 2023. Work also continued on implementing the Fund's Climate Change Policy, further improvements to the Fund's governance arrangements, and a review of the administration software.

Key Outcomes during 2022/23

Work on the 2022 Valuation took place across the whole of 2022/23, with the key outputs being the publication of the revised Funding Strategy Statement, the Valuation results themselves and the parameters for the review of the Fund's Strategic Asset Allocation.

The Funding Strategy Statement was subject to a complete overhaul, led by Hymans Robertson, the Fund Actuary. The revised document consists of a more succinct core document, supported by a series of standalone policy documents providing greater detail on the Fund's approach to key issues including the treatment of Academy Schools, Cessation Calculations etc. The revised documents were approved by the Committee in December 2022 following a full consultation exercise with all key stakeholders.

The formal Valuation results were published in March 2023, although all scheme employers were provided with their provisional results earlier in the process. The Fund is in a much better position than that recorded after the 2019 Valuation, with the funding level rising from 99% to 111%, largely reflecting the 28.5% return on the Fund's investments over the 3-year period between Valuations. The Actuary calculated that there is a 79% likelihood that the Fund will have sufficient funds to pay pension benefits as they fall due based on the current funding level, investment strategy and employer contribution rates. The average employer contribution rate is 20.7% which is just below the average for the 86 Funds in England and Wales of 20.8%.

In light of the Valuation results, the Fund's Independent Investment Adviser proposed limited changes to the Funds Strategic Asset Allocation, although the Committee accepted his recommendations to reduce the exposure to the UK stock exchange and switch the remaining UK exposure from the large companies with an international focus, to the middle and smaller companies which are more aligned to the UK economy and therefore the liabilities of the Pension Fund. The Committee also agreed to delete their small allocation to the specialist Emerging Market equity portfolio. The money released from these two changes will be re-invested largely in a sustainable equities portfolio, with the balance in the passive Paris Aligned Benchmark equity portfolio, reflecting the Committee's commitments under their Climate Change Policy. Other important developments under the Climate Change Policy were the recruitment to a new Responsible Investment post, and participation in the review of the Climate Change Policy operated by Brunel, the Fund's investment manager.

A key outcome in improving further the governance arrangements of the Fund were the appointment of the Fund's first Governance and Communications Manager, who is taking forward the recommendations from the independent governance review. Items completed in 2022/23 were a review of our Scheme Member Engagement Policy, improvements in the Funds website, a review of the Funds cyber security arrangements, and a review of the Fund's administration software which ultimately led to a decision to extend the contract with our current supplier for a further two years. The improved governance arrangements were reflected in the Fund producing the highest results across the Committee and Board Members in the National Knowledge Assessment undertaken by Hymans Robertson across the Pension Funds in England and Wales.

The Fund

The Fund again saw a further significant change in the employer base, largely as a result of out-sourcing arrangements through Academy Schools. We had 176 active scheme employers at the time the Valuation results were published (179 as at 31 March 2022). The Fund had a total of 71,256 members as at 31 March 2023, an increase of 3.5% since last year.

In terms of cash-flow, the Fund remains cash positive, collecting £15m more over the course of the last year in employer/employee contributions than it pays out by way of benefits, and direct administration and investment costs. This allows the Fund to maintain an investment strategy which maximises the long-term returns to the Fund, without the restriction of maintaining high levels of cash or liquid assets to meet pension payments. The work as part of the Fund Valuation suggested that this would remain the case for at least the next three years.

Investment Performance

The Fund value declined slightly over the course of the 2022/23 financial year ending the year at £3.2bn (£3.3billion as at 31 March 2022). This mainly reflected the difficult economic conditions following the invasion of Ukraine by Russia at the beginning of 2022.

The Future

Whilst 2023/24 started with the announcement of further Government delays – this time in respect of the timetable for the Pensions Dashboard, we have now received the much-promised consultation on the future direction of pooling, which also includes several proposals about future investment opportunities the Government would like the LGPS to adopt. The final Regulations on implementing the McCloud remedy to address the age discrimination introduced into the LGPS by the Government changes in 2014 must also be published before the deadline for implementation of 1 October 2023, so we are already clear that the up-coming year will be busy in responding to Government announcements.

The first objective of the Fund's Business Plan for 2023/24 reflects this work associated with further regulatory change. As well as the areas covered above, it is also hoped that the Government will provide its guidance on reporting for Climate Change, which will help standardise the reporting across this key priority area and send clear messages to companies and the investment industry about the data we all expect to see.

The second priority area in the plan seeks further improvements in the governance of the Fund, and in particular seeks to ensure the Fund is fully compliant with the new General Code of Practice expected from the Pension Regulator later this year. As part of this the Fund will review its policy in respect of breaches of pension regulations and the data protection regulations and review its Administration Strategy to tighten up the expectations on scheme employers. The final priority expected in this area involves the development of a workforce strategy which we expect to be part of the requirements of the awaited Government response of Good Governance.

The third priority area is to improve the operational effectiveness of the Fund through the greater use of technology. As we began 2023/24, we moved the final scheme employer onto iConnect which increased the automation in the monthly collection of scheme member data. We now want to take this forward providing both scheme employers and scheme members the opportunity to upload relevant documents straight to the pensions administration software, as well as increasing the levels of self-service available to both employers and members.

The fourth priority area is our continued work in the area of responsible investment and especially our commitments under the Climate Change Policy. We have already made our first submission to the Financial Reporting Council to be accredited under the Stewardship Code and we will continue to develop our work in this area throughout the year. We are also working with our partner Funds within the Brunel partnership to develop a local impact fund which focuses on delivering climate solutions and mitigations to the South-West of England in the area covered by the 9 local authority funds.

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

Lorna Baxter
Director of Finance July 2023

The Oxfordshire Local Government Pension Scheme (LGPS) Pension Board

All Public Sector Pension Schemes were required under the Public Service Pensions Act 2013 to set up a Pension Board with effect from 2015/16 to assist the administering authorities of their Pension Scheme in ensuring compliance with LGPS and other pension regulations.

The Oxfordshire Pension Fund Committee, acting as administering authority of the Oxfordshire LGPS, agreed the terms of reference of the Pension Board in March 2015. These terms of reference are available on the Board's website at https://www.oxfordshire.gov.uk/cms/content/lgps-local-pension-board .

Under the constitution of the Board, an annual report on the work of the Board should be produced by the Board for inclusion in the Fund's own annual report; and it should be presented to the Pension Fund Committee within 6 months following the end of the municipal year. This report meets that requirement for the 2022/23 financial year, covering the work from the July 2022 Board meeting to their meeting on 5 May 2023.

Board Membership

The Board started the year with a vacancy for one scheme member representative following the resignation of Sarah Pritchard which was confirmed after the July 2022 meeting.

An email was sent to all scheme members who had recorded an email address as part of their pension record, as well as the normal advertisements within the Pension Newsletters and on the Fund Website. This attracted a very strong field of 9 applicants and following an interview process with the Chair and Vice Chair of the Pension Fund Committee and the Head of Pensions Liz Hayden, a retired member was appointed to serve on the Board. Attendance at Board meetings was as follows:

	Attended 8 July 2022 Meeting	Attended 21 October 2022 Meeting	Attended 20 January 2023 Meeting	Attended 5 May 2023 Meeting
Scheme Employer Representatives				
Elizabeth Griffiths (West Oxfordshire District Council)	No	Yes	Yes	No
Angela Priestley-Gibbins (The Thera Trust)	Yes	Yes	Yes	Yes
Marcia Slater (Vale of White Horse/South Oxfordshire District Councils)	Yes	No	Yes	No
Scheme Member Representatives				
Stephen Davis (Oxford Direct Services & Unite)	Yes	Yes	Yes	Yes
Alistair Bastin (Oxfordshire County Council & Unison)	Yes	Yes	Yes	Yes
Sarah Pritchard (Brookes University)	No	N/A	N/A	N/A
Liz Hayden (Retired Member)	N/A	N/A	N/A	Yes

All meetings were chaired by the Independent Chairman, Matthew Trebilcock, the Head of Pensions from the Gloucestershire Pension Fund. Cllr Bob Johnston attended all but the May

2023 meeting of the Board in his capacity as Chairman of the Pension Fund Committee as part of the arrangements agreed within the Governance Review to improve communications between the Committee and Board. Cllr John Howson attended the May 2023 meeting in place of Cllr Johnston. Steve Moran, the Scheme member representative on the Pension Fund Committee also attended the Board meetings in October 2022 and January 2023.

Angela Priestley-Gibbins, Elizabeth Griffiths, Marcia Slater, Alistair Bastin and Stephen Davis all regularly attended the Pension Fund Committee as observers, with one of them presenting the report of the Board to the Committee. Board Members were also regular attenders at the training events run through the year, to which all Committee and Board members were invited.

With the agreement of the Independent Chairman and members of the Board, all meetings of the Board during 2022/23 were held virtually. As the Board was set up under separate legal provision from the other County Council Committees, there is no legal requirement for meetings to be held in person.

The Board welcomed the addition of the new Governance and Communications Manager at their October meeting and noted that the officer would play a key role in the work of the Board going forward.

All voting members of the Board also attended the full day Planning Workshop held on 3 February 2023 which discussed the 2023/24 Business Plan in the morning session, and the Strategic Asset Allocation session in the afternoon.

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

Work Programme

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

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

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

The main issues identified by the Board and referred back to the Committee for further consideration from these reports included concerns about staffing levels, and in particular the resource requirements of dealing with the McCloud remedy, and cyber risks. They also offered advice to the Committee on the increased use of graphs and trend analysis within the performance reports received by the Committee.

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

- July 2022 – the report on the key assumptions to be adopted in the forthcoming Fund Valuation, and the confidential report on potential changes to the Fund’s AVC provider. In both cases the Board was happy with the approach adopted by the Committee

- October 2022 – the further report on the Fund Valuation including the draft Funding Strategy Statement, the initial report on Cyber Security and the Funds latest climate report issued in line with the Taskforce for Climate-related Financial Disclosures (TCFD) report. The Board expressed concerns on the absence of an over-arching cyber risk policy as well as the need to ensure robust arrangements were in place for monitoring how the Fund's third-party suppliers managed cyber risk.
- January 2023 – the Board reviewed a follow up report on cyber risk as well as a report on the review of the Fund's current software provider. The Board endorsed the approach taken by the Committee on both items, noting that their previous comments on cyber risk had been incorporated into the future arrangements
- May 2023 – the Board reviewed the final report on cyber risk, as well as the report on the proposed changes to the Strategic Asset Allocation for the Fund. In respect of the latter, the Board recommended the Committee to add consideration of the fee levels paid and value for money into their final decision.

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

- The Boards own Annual Report for the 2021/22 financial year considered at the July 2022 meeting
- The annual report on investment management fees and portfolio performance presented to the Board at its meeting in July 2022. The Board noted the limitations of the report given the lack of long-term data resulting from the significant transition in investments as a consequence of the Government's pooling agenda.
- Two reports on scheme member engagement as presented to the January and May 2023 meetings, where the Board took the lead in shaping the initial proposals and the subsequent implementation plan for further consideration by the Pension Fund Committee.

Future Work Programme

A key area for the Board to consider during 2023/24 will be the monitoring arrangements associated with the new General Code of Practice to be issued by the Pension Regulator. This is consistent with one of the primary objectives of the Board to ensure that the Pension Fund Committee is meeting its regulatory duties and Included within this ensuring all material breaches are reported to the Pension Regulator.

The Board will also maintain its focus on the standard administration report, review of the annual business plan and the risk register to ensure that the Committee is able to meet its statutory duties. A key element of this include the key targets set last year to review the long awaiting Government consultation on the future of the LGPS initially expected last year covering the future direction of pooling, climate related reporting, McCloud and the levelling up agenda.

The Board will maintain its focus on the future Governance arrangements for the Fund and will work closely with the Governance and Communications Manager to review the existing governance arrangements in light of best practice and the Government's response to the Good Governance Review undertaken by Hymans Robertson for the Scheme Advisory Board.

The Board will also oversee the effectiveness of the new approach to scheme member engagement, including developing their own role in ensuring the work of the Board is appropriately communicated to scheme members and scheme employers.

Finally, the Board will continue to be involved in the implementation of the Fund's Climate Policy and wider Responsible Investment duties.

Board Members Training 2022/23 **Appendix**

Alistair Bastin	CIPFA's Annual Conference for Pension Board Members	18th May 2022
Alistair Bastin	Local Authority Conference 2022	13th to 15th June 2022
Alistair Bastin	Barnett Waddingham's Pension Board event	22nd June 2022
Alistair Bastin	Unison South East LGPS Forum AGM	03rd May 2022
Alistair Bastin	CIPFA Annual Pension Board Conference	18th May 2022
Alistair Bastin	Unison South East LGPS Forum	26th May 2022
Alistair Bastin	Brunel Oversight Board	09th June 2022
Alistair Bastin	PLSA Conference	13-15th June 2022
Alistair Bastin	Barnett Waddingham LPB Seminar	22nd June 2022
Alistair Bastin	Brunel Investor Day	28th September 2022
Alistair Bastin	LAPFF Conference	7-9th December 2022
Angela Priestley-Gibbins	Barnett Waddingham's Pension Board event	22nd June 2022
Angela Priestley-Gibbins	Brunel Investor Day	28th September 2022
Marcia Slater	Brunel Investor Day	28th September 2022
Stephen Davis	Local Authority Conference 2022	13th to 15th June 2022
Stephen Davis	Brunel Investor Day	28th September 2022

Statement of Responsibilities for the Pension Fund

The County Council's Responsibilities

The County Council is required to:

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

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

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

The Responsibilities of the Director of Finance

The Chief Finance Officer is responsible for the preparation of the Pension Fund's accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 ('the Code of Practice').

In preparing this Statement of Accounts, the Director of Finance has:

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

The Director of Finance has also:

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

LORNA BAXTER
Director of Finance

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

SCHEME MANAGEMENT & ADVISORS

Administering Authority	Oxfordshire County Council County Hall Oxford OX1 1ND
Administrator	Director of Finance
Pension Fund Committee County Council Members 2022/23 Membership	Cllr Bob Johnston (Chairman) Cllr Kevin Bulmer(Deputy Chairman) Cllr Nick Field-Johnson Cllr I.U. Edosomwan Cllr Sally Povolotsky (to June 22) Cllr Eddie Reeves (to June 22) Cllr John Howson (from October 22)
Representatives of District Councils	Cllr Jo Robb (SODC)
Representatives of Scheme Employers	Alistair Fitt (Oxford Brookes University) Shelley Cook (Academy Sector) Alan Staniforth (Academy Sector)
Scheme Member Representative	Steve Moran
Independent Investment Adviser	Philip Hebson MJ Hudson
Fund Managers	Adams Street Partners Brunel Pension Partnership Legal & General Investment Management Partners Group Insight Investment Management
Internally Managed Funds	Listed Private Equity
Actuary	Hymans Robertson
Auditor	Ernst & Young LLP
AVC Provider	Prudential Assurance Company Ltd
Custodian	State Street Bank and Trust Company
Legal Advisers	Oxfordshire County Council Legal Services
Bankers	Lloyds Bank Plc

HOW THE SCHEME OPERATES

♦ Legal Framework

The Local Government Pension Scheme is a statutory, funded defined benefit pension scheme. The operation of the Oxfordshire County Council Pension Fund is principally governed by the Local Government Pension Scheme Regulations 2013 [as amended] (effective from April 2014).[1] The scheme covers eligible employees and employees of other bodies eligible to be employers in the Scheme. A list of all those bodies with employees currently participating in the Scheme is shown on pages 14 to 18.

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

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

♦ Contributions

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

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

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

Contribution rates for 2022 - 2023 were based on the completed valuation of the Scheme's financial position as at 31 March 2019 and are shown on pages 14 to 18.

♦ Benefits

The benefits payable under the Scheme are laid down by the 2013 Regulations. Pension payments are guaranteed and any shortfall is met through the Pension Fund linked to employer contribution rates set by the fund valuation. The Scheme is a 'defined benefit scheme and provides a pension based on 1/49th of pensionable pay each year of membership with annual revaluation, adjusted in line with CPI. A Summary of Benefits is shown on pages 105 to 107.

Overriding legislation

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

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

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

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

♦ Adjudication of Disagreements Procedure

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

PARTICIPATING EMPLOYERS

Scheduled Bodies	Contribution Rate: Payroll % 2022/23	Contribution Rate: Additional Monetary Amount 2022/23	Scheduled Bodies (cont)	Contribution Rate: Payroll % 2022/23	Contribution Rate: Additional Monetary Amount 2022/23
Abingdon & Witney College	21.3%	-	Chinnor Parish Council	21.7%	-
Abingdon Learning Trust	21.9%	-	Chipping Norton Town Council	21.7%	-
Abingdon Town Council	21.7%	-	Cholsey Primary School (OPEN)	18.0%	-
AcerTrust MAT	21.1%	-	Cumnor Parish Council	21.7%	-
Activate Learning Education Trust	20.5%	-	Didcot Town Council	21.7%	-
Activate Learning	20.4%	-	Drayton Parish Council	21.7%	-
Adderbury Parish Council	21.7%	-	Europa School	18.0%	-
Ambrosden Parish Council	21.7%	-	Eynsham Parish Council	21.7%	-
Anthem School Trust	21.1%	-	Eynsham Partnership	21.8%	-
Aspirations Academy Trust	23.7%	-	Faringdon Academy	21.2%	-
Banbury Town Council	21.7%	-	Faringdon Town Council	21.7%	-
Benson Parish Council	21.7%	-	GEMS Didcot Primary Academy	18.0%	-
Berinsfield Parish Council	21.7%	-	Gillots Academy	18.0%	-
Bernwode School Trust	21.4%	-	GLF- William Morris	18.1%	-
Bicester Town Council	21.7%	-	Goring Parish Council	21.7%	-
Blackbird Leys Parish Council	21.7%	-	Gosford & Water Eaton Parish Council	21.7%	-
Bladon Parish Council	21.7%	-	Henley College	21.4%	-
Bloxham Parish Council	21.7%	-	Henley on Thames Town Council	21.7%	-
Burford School	23.3%	-	Heyford Park Parish Council	21.7%	-
Carterton Town Council	21.7%	-	Kennington Parish Council	21.7%	-
Chadlington Parish Council	21.7%	-	Kidlington Parish Council	21.7%	-
Chalgrove Parish Council	21.7%	-	Kingston Bagpuize with Southmoor Parish Council	21.7%	-
Cherwell District Council	15.9%	-			

List of Participating Employers continues on next page...

PARTICIPATING EMPLOYERS

Scheduled Bodies (cont)	Contribution Rate Payroll % 2022/23	Additional Monetary Amount 2022/23	Scheduled Bodies (cont)	Contribution Rate Payroll % 2022/23	Additional Monetary Amount 2022/23
Ladygrove Park Primary School	18.0%	-	Rotherfield Greys Parish Council	-	-
Langtree Academy	18.0%	-	Rotherfield Peppard Parish Council	-	-
Leafield Parish Council	21.7%	-	Shipton under Wychwood Parish Council	21.7%	-
Long Hanborough Parish Council	21.7%	-	Sandford St Martin Parish Council	21.7%	-
MacIntyre Academy Trust	14.9%	-	Sonning Common Parish Council	21.7%	-
Maiden Erlegh Trust	18.0%	-	South Oxfordshire District Council	16.3%	411,000
Marcham Parish Council	21.7%	-	Spelsbury Parish Council	21.7%	-
Milton Parish Council	21.7%	-	St Johns Academy Trust	21.7%	-
Nettlebed Parish Council	21.7%	-	Stonesfield Parish Council	21.7%	-
North Hinksey Parish Council	21.7%	-	Sutton Courtenay Parish Council	21.7%	-
Old Marston Parish Council	21.7%	-	Thame Partnership Academy Trust	21.3%	-
Oxford Brookes University	14.8%	-	Thame Town Council	21.7%	-
Oxford City Council	16.2%	-	The Gallery Trust	17.7%	-
Oxford Diocesan Trust	20.5%	-	The Merchant Taylors Oxfordshire		
Oxford Direct Services	16.2%	-	Academy School Trust	19.4%	-
Oxfordshire County Council	19.9%	-	The Mill Academy Trust	22.2%	-
Propeller Academy Trust	19.8%	-	The Pope Francis MAC	22.5%	-
Radcliffe Academy Trust	17.2%	-	United Learning Trust	16.0%	-
Radley Parish Council	21.7%	-	Vale Academy Trust	21.1%	-
Ramsden Parish Council	21.7%	-	Vale of the White Horse District Council	16.3%	767,000
Ridgeway Education Trust	22.7%	-	Wallingford Town Council	21.7%	-
Risinghurst & Sandhills Parish Council	21.7%	-	Warriner MAT	21.9%	-
River Learning Trust	19.9%	-	Watlington Parish Council	21.7%	-

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Scheduled Bodies (cont)	Contribution Rate Payroll % 2022/23	Contribution Rate Additional Monetary Amount 2022/23
West Oxfordshire District Council	17.6%	726,000
Wheatley Parish Council	-	-
Willowcroft Academy Trust	17.4%	-
Witney Town Council	21.7%	-
Woodstock Town Council	21.7%	-
Wootton Parish Council	21.7%	-
		-
Admitted Bodies		-
A2 Dominion	16.3%	-
All Care (GB) Ltd	19.9%	-
Alliance in Partnership Limited	22.2%	-
Alliance in Partnership Limited – The Cooper	0.0%	-
School (Bicester Learning Academy) catering	21.4%	-
APCOA Parking (UK) Ltd	28.3%	12,000
Aspens Services Limited – Pope Francis Multi Academy Company (St Gregory the Great Secondary School and St Joseph's Primary School ,Thame, (catering contract)	23.5%	-
Banbury Museum Trust	16.3%	-
Barnardos	32.8%	-
Calber Facilities Management Limited – Caldecott Primary School, Abingdon (cleaning contract)	19.9%	-
Capita	-	-
Cara Services Limited	23.7%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2022/23	Contribution Rate Additional Monetary Amount 2022/23
Caterlink Limited – Acer Trust (Botley School, Oxford) (catering contract)	21.1%	-
Caterlink – Faringdon Learning Trust	25.9%	-
Caterlink Ltd – Oxford Diocesan Schools Trust (St Frideswide CofE Primary School) (catering contract)	20.5%	-
Cater Link – United Learning Trust (catering contract)	16.0%	-
Charter Community Housing	37.3%	131,000
Chartwells – GLF (Aureus Secondary School, Didcot) catering contract	18.1%	-
Clarendon Limited – Clanfield Church of England Primary School (cleaning contract)	19.9%	-
Cleantec Services Limited - Pope Francis Multi Academy Company (St Gregory the Great Secondary School)	23.5%	-
Cleantec Services Limited – River Learning Trust (cleaning contract)	19.9%	-
Community Integrated Care (OCC care contract)	19.9%	-
Culinera Ltd – River Learning Trust (The Swan School) (catering contract)	19.9%	-
Direct Cleaning Services – Abingdon Learning Trust (John Mason School) (cleaning contract)	21.9%	-
Dolce Limited at Eynsham Partnership Academy (Eynsham Primary School) (catering contract)	21.8%	-
Dolce Limited – River Learning Trust (Bayards Hill School, Oxford) (catering contract)	19.9%	-

List of Participating Employers continues on next page…

PARTICIPATING EMPLOYERS

Admitted Bodies (cont)	Contribution Rate Payroll % 2022/23	Contribution Rate Additional Monetary Amount 2022/23
Dolce Limited – River Learning Trust (Lots 6 and 7)		-
(catering contract)	19.9%	-
Ecocleen Services Limited – Vale Academy Trust		
(King Alfred's School, Wantage) (cleaning contract)	21.1%	-
Edwards and Ward (Banbury Dashwood Academy)	23.7%	-
Edwards and Ward (Benson C.E. Primary School)	19.9%	-
Edwards & Ward – River Learning Trust Lot 1 (The		
Oxford Academy and Wheatley Park School)		
(catering contract)	19.9%	-
Edwards & Ward – River Learning Trust Lot 2 (Chipping		
Norton School) (catering contract)	19.9%	-
Edwards and Ward (St Andrews C.E. Primary School)	19.9%	-
Edwards & Ward (Sutton Courtenay C of E Primary)		
catering contract	19.9%	-
Edwards & Ward - Vale Academy Trust	21.1%	-
Edwards and Ward – Vale Academy Trust		
(Larkmead School) (catering contract)	21.1%	-
Energy Kidz (John Hampden)	19.9%	-
Fresh Start Ltd (Bloxham School contract)	19.9%	-
Fresh Start Ltd (St Mary's Catholic Primary		
School Bicester)	19.9%	-
Fresh Start Catering Limited – West Witney Primary School		
(OCC) (catering contract)	19.9%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2022/23	Contribution Rate Additional Monetary Amount 2022/23
Fusion Lifestyle	16.2%	-
Greenwich Leisure Limited	16.3%	-
Groundwork South	19.9%	-
Hayward Services Limited – Ridgeway Education Trust		
(St Birinus School, Didcot) (cleaning contract)	22.1%	-
HF Trust Limited (Lot 5)	23.8%	-
HF Trust Limited (Lot 8)	26.1%	9,000
Hill End Outdoor Education Centre	25.7%	-
KGB Cleaning South West Limited	21.8%	-
KGB Cleaning South West Ltd - Activate Learning Education Trust		
(Bicester Tech & School)	20.5%	-
Kidz Zone Club Limited – Langford Village Community Primary		
School (OCC) (before and after school clubs contract)	19.9%	-
Maid Marions Ltd– Faringdon Academy of Schools	21.2%	-
Maid Marions Limited – The Warriner Multi Academy		
Trust (Warriner School) (cleaning contract)	21.9%	-
Maid Marions Ltd (02) at Warriner MAT (Warriner School)	21.9%	-
M Group Services	19.9%	-
Order of St John's Care Trust (Oxford)	19.9%	-
Oxford Archaelogical Unit	16.3%	-
Oxford Community Work Agency	16.3%	-
Oxfordshire LEP	19.9%	-
Oxfordshire South & Vale Citizens Advice Bureau	-	-

List of Participating Employers continues on next page...

PARTICIPATING EMPLOYERS

Admitted Bodies (cont)	Contribution Rate Payroll % 2022/23	Additional Monetary Amount 2022/23
PAM Wellbeing Ltd	19.9%	-
Publica	17.6%	-
Rapid Clean - Stockham Primary School	19.9%	-
Rapid Commercial Cleaning Ltd	19.9%	-
Regency Cleaning Services Limited – Meadowbrook College (Radcliffe Academy Trust) cleaning contract	17.2%	-
Saba Park Services	26.5%	24,000
School Lunch Company (Bishop Loveday CE Primary School)	21.9%	-
School Lunch Company – Bure Park Primary School (catering contract)	19.9%	-
School Lunch Company (Great Milton CofE Primary School)	19.9%	-
School Lunch Company (North Hinksey CE Primary School)	20.5%	-
School Lunch Company (Orchard Fields)	19.9%	-
School Lunch Company (The Batt CE Primary School, Witney)	20.5%	-
School Lunch Company – The Blake CofE Primary School, Cogges	20.5%	-
School Lunch Company (St Kenelm's C of E Primary School	19.9%	-
School Lunch Company (St Mary's CofE Infant School, Witney (Cleaning) ODST	20.5%	-

Admitted Bodies (cont)	Contribution Rate Payroll % 2022/23	Additional Monetary Amount 2022/23
School Lunch Company (St Michael's CofE Primary School, Oxford)	19.9%	-
School Lunch Company (St Nicolas CofE Primary School, Abingdon)	19.9%	-
School Lunch Company (Windmill Primary School, Oxford) catering contract	19.9%	-
School Lunch Company (Wroxton CofE Primary School)-ODST	20.5%	-
School Lunch Company (Wychwood CE Primary School)	19.9%	-
Stir Food Limited – Mill Academy Trust (Queen Emma's Primary School) (catering contract)	22.2%	-
Swalcliffe Park School Trust	16.3%	-
Thames Valley Partnership	16.3%	-
The Camden Society - Lot 1	19.9%	-
The Camden Society - Lot 2	19.9%	-
The Camden Society - Lot 6	19.9%	-
UBICO Limited	17.6%	-
Vale Capita	-	-
West Oxon Citizens Advice Bureau	16.3%	-
Yorkshires Cleaning Service Ltd – ODST (St Christopher's CofE Primary School, Cowley, Oxford) (cleaning contract)	20.5%	-
Yorkshires Cleaning Services - St Francis CE Primary School, Cowley, Oxford	19.9%	-

Governance

Conflicts of Interest

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

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

Pension Fund Committee

Committee Membership and Attendance 2022/23

Councillor	10-Jun-22	10-Oct-22	02-Dec-22	03-Mar-23
County Councillors;				
Councillor B Johnston (on committee since June 2021)	✓	✓	✓	✓
Councillor K Bulmer (on committee since May 2017)	✓	✓	✓	✗
Councillor N Field-Johnson (on committee since May 2017)	✗	✗	✓	✗
Councillor I U Edosomwan (on committee since May June 2021)	✓	✓	✓	✓
Councillor E Reeves (on committee since March 2022)	✗	n/a	n/a	n/a
Councillor S Povolotsky (on committee since March 2022)	✓	n/a	n/a	n/a
Councillor J Howson (on committee since October 2022)	n/a	✓	✓	✓
District Councillors;				
Councillor J Robb (on committee since September 2019)	✓	✓	✓	✓
Scheme Employers;				
Alistair Fitt (Oxford Brookes University) (on committeee since June 2021)	✗	✓	✓	✗
Shelley Cook (Academy Sector) (on committee since September 2021)	✓	✓	✓	✗
Alan Staniforth (Academy Sector) (on committee since September 2021)	✓	✓	✗	✗

Committee Members Training Received 2022/23

Councillor	**Date**	**Training Course**
County Councillors;		
Councillor B Johnston	11-Jun-22 28-Sep-22 10-Oct-22 Various	Hymans Robertson – Financial and Demographic Assumptions Brunel Investor Day Hymans Robertson - 2022 Valuation Hymans Online Learning Academy Modules 1-6
Councillor K Bulmer	11-Jun-22 28-Sep-22 10-Oct-22 Various	Hymans Robertson – Financial and Demographic Assumptions Brunel Investor Day Hymans Robertson - 2022 Valuation Hymans Online Learning Academy Modules 1-6
Councillor I U Edosomwan	11-Jun-22 10-Oct-22 Various	Hymans Robertson – Financial and Demographic Assumptions Hymans Robertson - 2022 Valuation Hymans Online Learning Academy Modules 1-6
Councillor J Howson	28-Sep-22 10-Oct-22 20-Oct-22 10-Nov-22 06-Dec-22	Brunel Investor Day Hymans Robertson - 2022 Valuation Fundamentals - Day 1 Fundamentals - Day 2 Fundamentals - Day 3
Councillor N Field-Johnson	Various	Hymans Online Learning Academy Modules 1-6
District Councillors;		
Councillor J Robb	11-Jun-22 10-Oct-22	Hymans Robertson – Financial and Demographic Assumptions Hymans Robertson - 2022 Valuation
Scheme Employers;		
A Fitt (Oxford Brookes Academy)	11-Jun-22 10-Oct-22	Hymans Robertson – Financial and Demographic Assumptions Hymans Robertson - 2022 Valuation
Shelley Cook (Academy Sector)	11-Jun-22 18-Oct-22 10-Oct-22	Hymans Robertson – Financial and Demographic Assumptions Fundamentals - Day 1 Hymans Robertson - 2022 Valuation
A Staniforth (Academy Sector)	11-Jun-22 10-Oct-22	Hymans Robertson – Financial and Demographic Assumptions Hymans Robertson - 2022 Valuation
Beneficiary Observer;		
S Moran	11-Jun-22 13-15/06/22 28-Sep-22	Hymans Robertson – Financial and Demographic Assumptions Local Authority Conference 2022 Brunel Investor Day

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

Risk Management

Internal Risk Management

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

The Council's Internal Audit function undertook a review of the Pension Administration operations in 2019/20 with an overall conclusion of 'G' (There is a strong system of internal control in place and risks are being effectively managed. Some minor action may be required to improve controls.). There were four management actions resulting from the audit findings which are being addressed. The Pension Investments function was also subject to an internal audit during 2019/20. The overall conclusion was 'A' (There is generally a good system of internal control in place and the majority of risks are being effectively managed. However, some action is required to improve controls). There were four management actions resulting from the audit findings which are being addressed.

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

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

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

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

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

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

Risks are analysed between:

- Financial
- Administrative
- Governance

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

The table below details the highest scoring risks from the most recent version of the risk register for the Fund (a copy of the full risk register is available in the Pension Fund Committee papers for June 2023 which is on the Council's public website).

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

Summary of Key Risks identified on the Pension Fund Risk Register

Risk	Cause	Impact	Likelihood	Risk Score	Actions Required
Operational					
Insufficient Skills and Knowledge on Committee – LGPS and FSPS	Poor training programme	4	2	8	Implement new training plan 2023/24.
Insufficient Skills and Knowledge amongst Board Members	Turnover of Board membership	4	2	8	Implement new training plan 2023/24.
Lack of administrative resources and knowledge for FPS, specifically with additional remedy workload and second options exercise for on call fire fighters.	Court judgements have created additional work. Also, concern that there is a key person risk.	4	3	12	Seek PFC agreement for FRS to appoint additional administrator to collate data required for remedy and second options exercise and then to work in tandem with Pension Administrators to complete work required. This is at cost to FRS.
Investment					
Failure of Pooled Vehicle to Meet Local Objectives.	Sub-funds agreed not consistent with our liability profile	4	2	8	Agree changes to Remuneration Policy and review arrangements to ensure resilience of business model.
Administrative					

Risk	Cause	Impact	Likelihood	Risk Score	Actions Required
Insufficient Resource and/or Data to Comply with Consequences of McCloud Judgement & Sergeant.	Significant requirement to retrospectively re-calculate member benefits	4	3	12	Signed up with the LGPS Framework. Now in procurement process to get additional resource to support the McCloud Project. Review resources for FPS.

Third Party Risk Management

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

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

The following reports were received and reviewed:

Company	Report Type	Reporting Period End	Auditor
Adams Street Partners	SOC 1	30 September 2022	KPMG
Partners Group	ISAE 3402	31 December 2022	PricewaterhouseCoopers
State Street Bank & Trust Company (Custodian)	SOC 1	31 March 2023	Ernst & Young
Insight Investment Management	SSAE 18 / ISAE 3402	30 September 2022	KPMG
Legal & General Investment Management	AAF 01/20 / ISAE 3402	31 December 2022	KPMG

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

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

Scheme Administration and Administration Performance

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

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

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

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

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

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

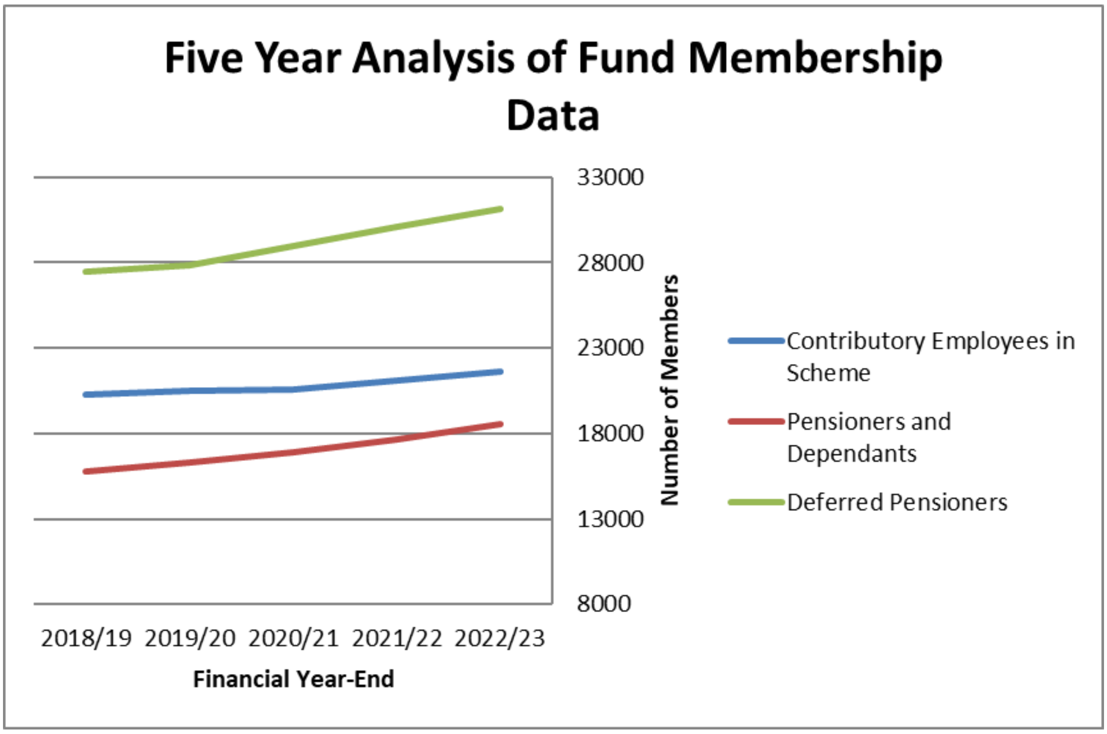
- Stage 1 – depending upon nature of complaint the Appointed Person from either the fund or scheme employer will review and provide a written determination to the points raised.
- Stage 2 – should the member be unhappy with the decision made at age 1 they have the right to ask for the Appointed Person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

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

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

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

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



Promotion of Scheme Membership

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

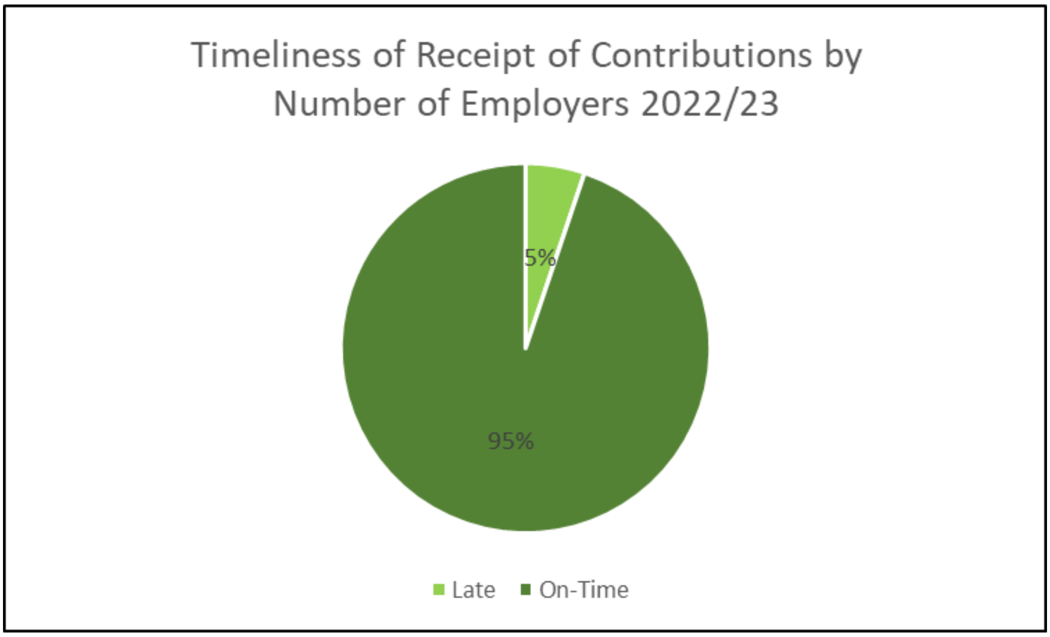
Memberships

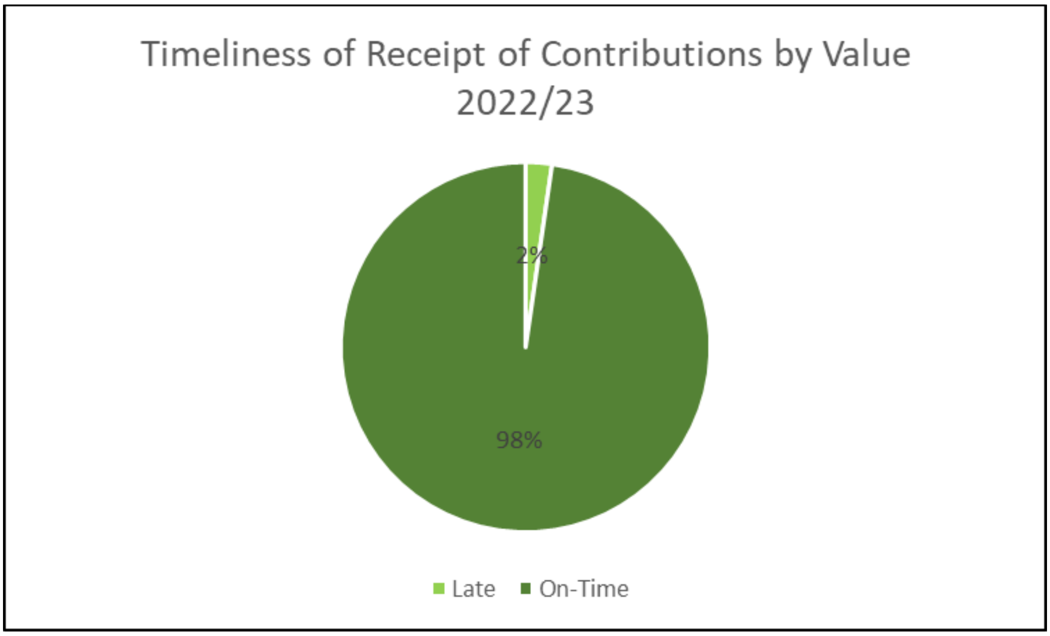
The Fund is a member of the National Association of Pension Funds, Local Authority Pension Fund Forum, Institutional Investors Group on Climate Change, Climate Action 100+, and subscribes to the CIPFA Pensions Network.

Financial Performance

Contributions

Payment of contributions from employers is monitored on a monthly basis as they fall due. Reconciliations are undertaken between contributions received and those expected with any discrepancies followed up with the employer. Late payments are immediately followed up with employers to request payment. If contribution payments are repeatedly late the issue is escalated and a letter is sent to employers. Fines are also issued in accordance with the Administration Strategy. The graphs below illustrate the timeliness of the receipt of contributions from employers during 2022/23.





Budget

The below table shows budget for 2022/23:

	Budget £'000	Actual £'000	Variance £'000
Administrative Expenses			
Administrative Employee Costs	1,402	1,262	-140
Support Services Including ICT	886	639	-247
Printing & Stationary	82	33	-49
Advisory & Consultancy Fees	315	12	-303
Other	59	41	-18
Total Administrative Expenses	**2,744**	**1,987**	**-757**
Investment Management Expenses			
Management Fees	12,836	12,751	-85
Custody Fees	40	52	12
Brunel Contract Costs	1,160	1,182	22
Total Investment Management Expenses	**14,036**	**13,985**	**-51**
Oversight & Governance			
Investment & Governance Employee Costs	405	345	-60
Support Services Including ICT	12	8	-4
Actuarial Fees	190	309	119
External Audit Fees	50	30	-20
Internal Audit Fees	16	16	0
Advisory & Consultancy Fees	135	85	-50
Committee and Board Costs	63	49	-14
Subscriptions and Memberships	69	43	-26
Total Oversight & Governance Expenses	**940**	**885**	**-55**
Total Pension Fund Budget	**17,720**	**16,857**	**-863**

Investment Pooling – Brunel Pension Partnership

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

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

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

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

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

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

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

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

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

	2021/22				2022/23			
	Budget		Actual		Budget		Actual	
	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000	In Year £000	Cumulative to date £000
Set up costs	-	1,158	-	1,072	0	1,158	0	1,072
Ongoing Brunel Costs	595	2,160	1,083	3,904	614	3,558	1,172	7,626
Clients Savings	(124)	(475)	-	-	(128)	(603)	0	0
Transition costs	0	3,558	685	7,626	0	2,775	0	5,076
Fee savings	(1,070)	(2,685)	(4,064)	(6,574)	(1,235)	(3,920)	(3,644)	(10,217)
Net costs / (realised savings)	**(599)**	**3,716**	**(2,296)**	**6,028**	**(748)**	**2,968**	**(2,472)**	**3,557**

Investment Review 2022/23

Economic Background

In a sense this last year has seen a roll forward of the consequences arising from what was breaking news at the end of the last year; namely the Russian invasion of Ukraine. It should have been the post Covid-19 recovery period, instead we saw world markets unsettled by substantially higher fuel and food prices, leading to a much higher level of inflation than we have seen for a very long time. Of much greater impact to our members would have been the even higher rate at which the cost of living was rising. In the UK the Consumer Prices Index (CPI) peaked at 11.1% in October, with a small decline to 10.1% by March.

Central banks were effectively caught between a rock and a hard place, knowing that they had to raise interest rates to try to bring inflation back to more reasonable levels, but at the same time not wishing to cause unnecessary damage to economic activity as a result. In March the UK Base Rate rose to 4.25%, with an expectation that further increases would be necessary, given that inflation is staying higher and for longer than had been forecast by the Bank of England.

One notable success in the economic battle with Putin was that European gas supplies had been boosted by an increase in storage capacity ahead of the 2022-23 winter. That, combined with a generally mild winter, has seen energy prices falling considerably from the peak levels seen after the invasion of Ukraine. Attention has also been focused on increasing the amount of energy derived from non-fossil fuel origins, thus increasing the sustainability of future energy supplies independent of Russia.

In 2022, GDP rose by 4.1% in the UK, by 2.1% in the US, by 1.9% in the Eurozone and by 1.0% in Japan. In China, which has experienced a different Covid economic pattern due to the way in which they attempted to contain it, GDP grew by 3.0%.

Market Returns

The 2022-23 fiscal year was certainly a tale of two halves so far as Fund values were concerned, along with the differentiated performance of public and private markets. Fund values fell during H1and then recovered to some extent during H2, ending the year down by just -3.7%. Given the turmoil seen at times during the course of the year, this is a reasonable outcome in the circumstances. In general terms equities fell during H1 and then recovered to some degree during H2, with the position reversed for the private market investments. Emerging Markets were particularly volatile, driven in large part by China.

For the purposes of this report, we are reviewing the year in total, regardless of the ups and downs experienced along the way. The All-World Index recorded a total return of -0.9% for the year to March 2023. North America represents 60% of the All World Index, so despite relatively good performance from most other developed markets the -4.2% return from North America has had a detrimental impact on the overall outcome for Global Equities. Europe (ex UK) recovered well from a difficult period earlier in the year, with a total return of 8.7%. Asia Pacific (excluding Japan) and Emerging Markets had a difficult year, both in negative territory.

UK Bonds in particular had a very difficult year as inflation continued to rise rapidly and markets priced in interest rate increases, not helped by the disruption caused by the blast of Trussenomics back in September. Yields on bonds are therefore at the highest levels seen for a long time, but while rising bond yields are in some ways are welcome, falls in value are not. This does however present an interesting buying opportunity.

With the gathering concerns around increases in interest rates in some geographies, currencies moved to reflect that. In the year to March sterling fell by -5.9% against the dollar, with a low point of -17.0% seen in the market turmoil in September. Sterling also fell -4.3% against the Euro, but gained 2% against the Yen.

UK Commercial Property gave up a large part of the gains seen in values during 2021-22, caused primarily by the urgent requirement for liquidity from corporate pension funds seeking extra collateral for their Liability Driven Investment (LDI) schemes in the wake of the collapse in Bond values in September/October last year. Values did see some recovery during Q1 2023.

The Oxfordshire Pension Fund achieved a total return of -3.7% for the year, compared with a -0.8% return on its benchmark. Despite the volatile markets seen during 2022-23, the end of March Fund valuation was only down slightly on a valuation basis, however the relatively poor performance against benchmark is also starting to have a negative impact on the medium-term performance periods. The longer-term position remains satisfactory, which is the most important measure of a Fund's investment health.

Outlook
The outlook is distinctly cloudy, in fact a deep look into the proverbial crystal ball is about as good as it gets at the moment. Even the Bank of England doesn't seem to have much of a clue about what happens next.

Geopolitics has a big part to play in this uncertainty. It has to be hoped that Ukraine's resolve to drive the invaders out of their country is successful in the near term and that Putin is put in his box. The trouble is that instability in that region is likely to continue, regardless of the short-term outcome. Continued and if anything intensified sabre rattling by the Chinese government certainly doesn't help the nerves, for us or investment markets. This will almost certainly run and run for the foreseeable future.

In the short term the current volatility in financial markets, coupled with high interest rates and inflation clearly raises some concerns. LGPS pensioners have the benefit of index linked (CPI) increases to their pensions each year. This is in contrast to most private sector pension schemes, that tend to have a cap (or a limit) on the amount that pensions will increase each year, regardless of the rate of inflation. Certainly for pensioners this provides some relief to the rapid increase in the cost of living, but it is acknowledged that with the large increases seen in energy costs and most food items times will still be challenging for many.

Over the longer term the investment strategy of the Fund is designed to ensure that the ability to pay pensions in the short, medium and long term is fully maintained. The Fund invests in a diversified range of assets that over time is anticipated to increase in value and to provide a secure flow of income to pay those pensions. The assumptions that are made in the management of the Fund are regularly reviewed to ensure that changes to economic forecasts, including the cost of living, are incorporated within the investment strategy. With the expectations that the rate of inflation and interest rates will stay relatively high in the short term, but then fall back to lower levels (but higher than we have seen in recent years), the recent asset allocation review ensures that the investment strategy is adjusted accordingly to maintain the correct balance of assets between those that see a growth in value over time and those that generate a steady flow of income. One of the great strengths of the LGPS is the way in which it is designed to provide a secure income in retirement to our pensioners and to be able to absorb short term challenges due to the long-term strength of the asset base.

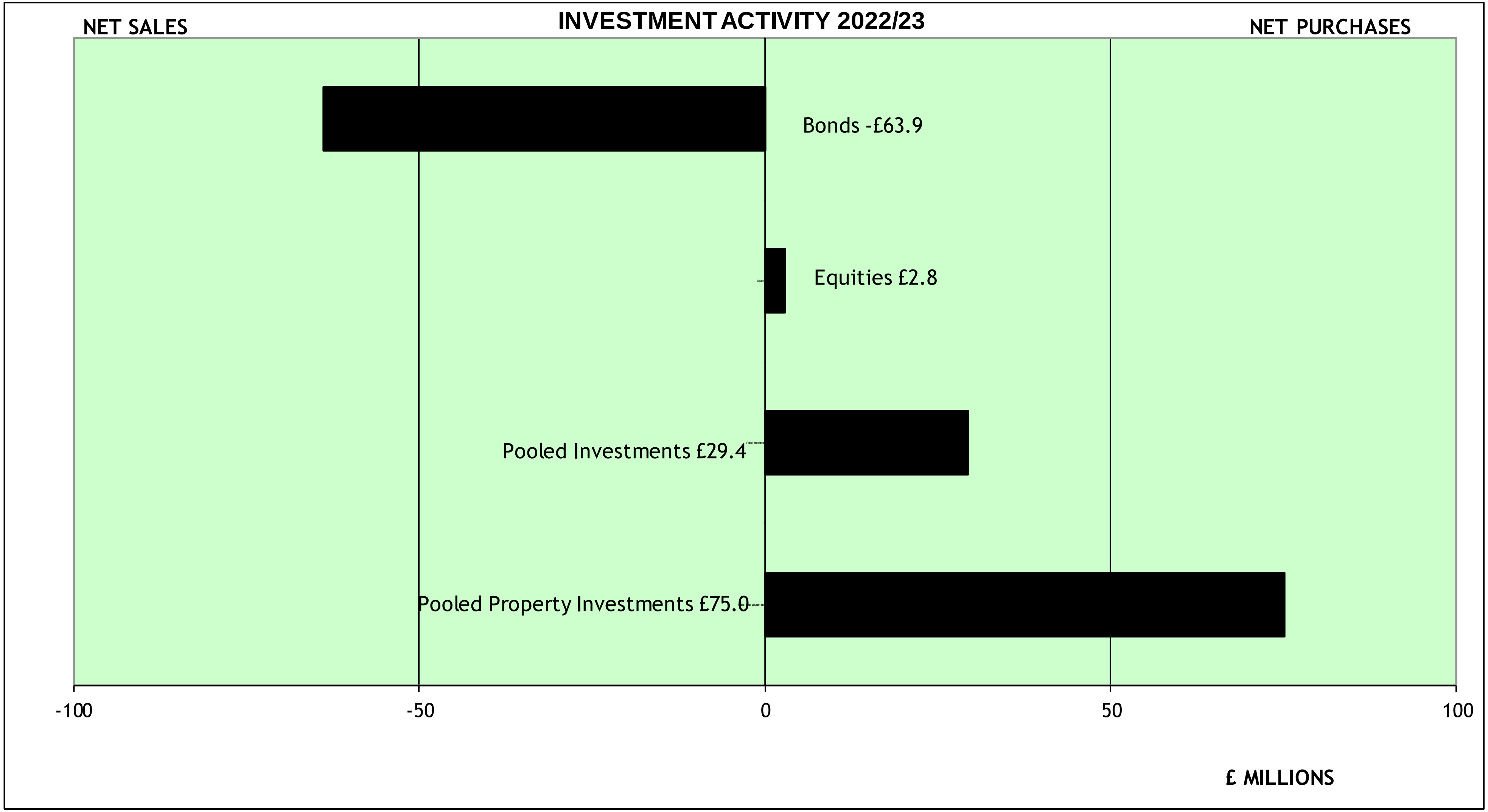
Philip Hebson
Independent Investment Advisor
June 2023

Table showing the total returns (capital plus income) in sterling terms calculated on major indices for the year to 31 March 2023.

SECTOR		INDEX	% Total Returns Year to 31.3.23
Equities	Global	FTSE All World	-0.9%
	UK	FTSE All Share	2.9%
	North America	FTSE AW – North America	-4.2%
	Japan	FTSE AW - Japan	1.4%
	Europe	FTSE AW - Europe (ex UK)	8.7%
	Asia Pacific (ex Japan)	FTSE AW - Asia Pacific (ex Japan)	-6.1%
	Emerging Markets	FTSE AW – Emerging Markets	-4.4%
Bonds	UK Government	FTSE-A Government	-16.3%
	UK Index-Linked	FTSE-A Index- Linked (over 5 years)	-30.4%
	UK Corporate Bonds	iBoxxSterling non-Gilt All Stocks	-10.2%
	Overseas	JP Morgan Global Government (ex UK) Traded Bond Index (£)	-2.1%
Cash	UK	SONIA Compounded Index	3.0%
Property	UK Commercial	MSCI/AREF-UK Quarterly Property Fund Index	-14.5%

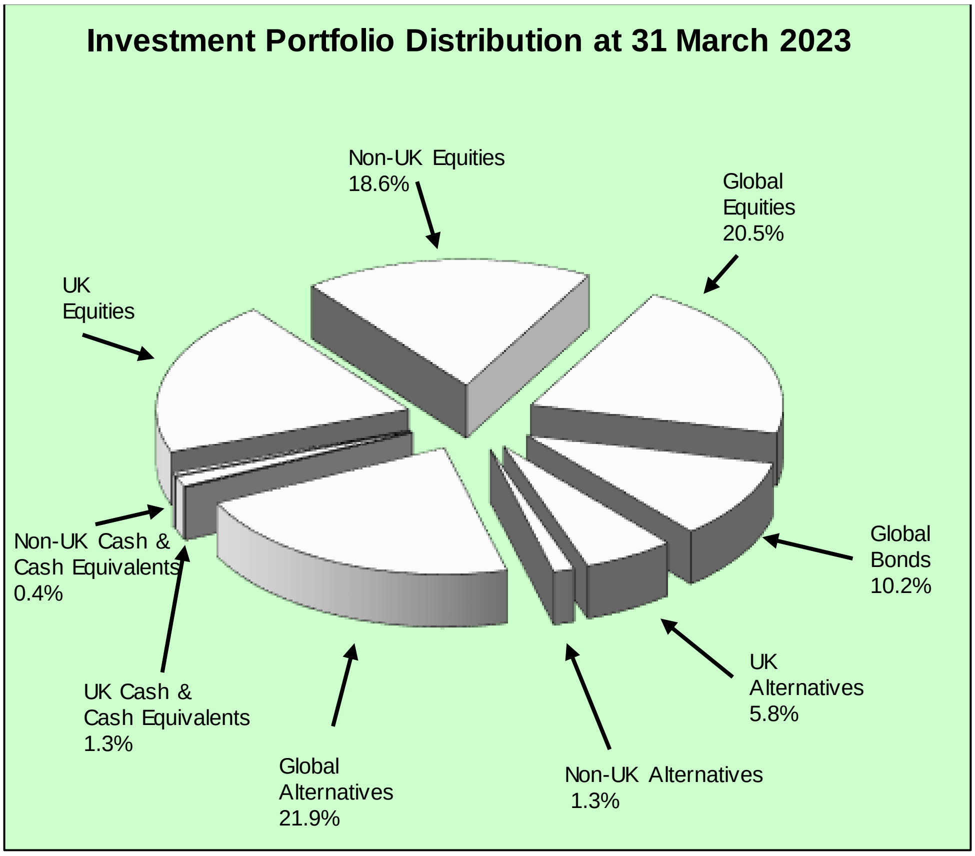
- **Investment Activity**

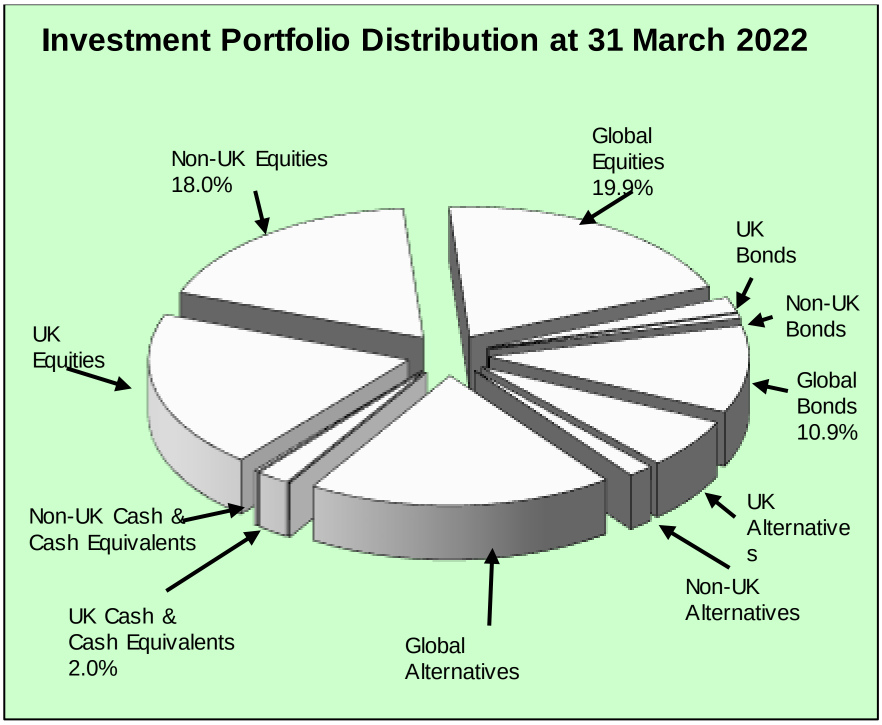
The Pension Fund invested a net £43.3 million during the year ended 31 March 2023. The amounts invested or disinvested in each principal category of asset are shown in the chart below. Derivatives are not included in the chart.



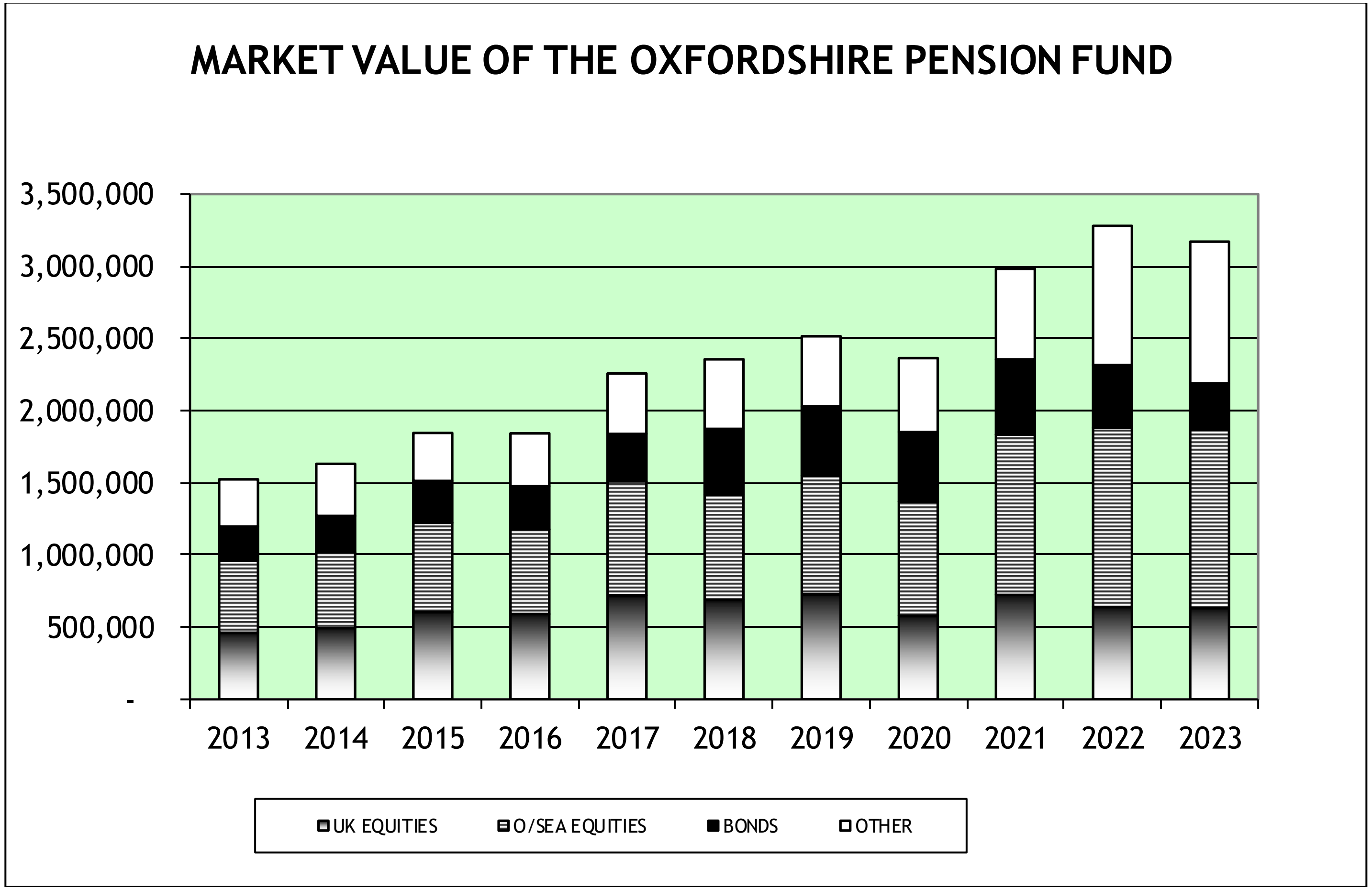
Portfolio Distribution

The distribution of the Pension Fund amongst the principal categories of assets as at 31 March 2023 is shown in the chart below. A comparative chart of the position at 31 March 2022 is also shown. Changes in the asset weightings, from one year to another, are due to investment activity and market movements.





Portfolio Asset Allocation over the Ten Years to March 2023
The total assets (including accruals) of the Pension Fund have grown from £1,524 million at end of March 2012 to £3,170 million at end of March 2023 (see chart below).
Over the period the percentage in UK equities decreased from 30.3% to 20.0% and bonds decreased from 15.5% to 10.1%.



♦ Investment Benchmark and Performance

The performance of the individual Fund Managers against their benchmark is shown in the following table. Each Fund Manager is given a different target to outperform their benchmark over a rolling three-year period. The table shows that performance in 2022/23 at the total fund level was 3.1% below benchmark with an overall return of -3.9%.

Fund Manager	Target %	One Year Ended 31 March 2023		Three Years Ended 31 March 2023		Five Years Ended 31 March 2023	
		Benchmark Return %	Oxfordshire Return %	Benchmark Return %	Oxfordshire Return %	Benchmark Return %	Oxfordshire Return %
Brunel UK Equities	2.0	3.9	2.3	14.0	12.3	-	-
Passive Dev Eq Paris Aligned	n/a	0.7	0.7	-	-	-	-
Brunel Global Sustainable Equities	n/a	-0.9	-1.3	-	-	-	-
Brunel Global High Alpha Equity	2-3	-0.5	0.4	17.1	17.9	-	-
Brunel Emerging Market Equity	2-3	-4.5	-5.1	8.3	7.1	-	-
Legal & General Fixed Income	0.6	-16.2	-16.1	-5.9	-4.7	-1.7	-1.2
Brunel Sterling Corporate Bonds		-10.2	-10.7	-	-	-	-
Brunel Multi-Asset Credit		6.3	-3.4	-	-	-	-
Passive Index Linked Gilts Over 5 Years		-30.4	-30.4	-	-	-	-
Brunel UK Property		-14.4	-11.5	-	-	-	-
Brunel International Property		17.5	3.4	-	-	-	-
Insight Diversified Growth Fund	3-5	6.9	-6.5	5.1	3.5	4.9	1.3
In-House Property	Excess	-14.5	6.1	2.6	5.8	2.5	5.9
In-House Private Equity	1.0	-0.9	-5.9	23.1	20.3	8.7	15.4
Brunel Private Equity - Cycle 1	3.0	-0.9	14.5	16.0	18.2	-	-
Brunel Private Equity - Cycle 2		-0.9	3.1	-	-	-	-
In-House Infrastructure	4.0	14.5	4.5	8.9	9.8	7.2	10.2
Brunel Infrastructure - Cycle 1	4.0	10.1	14.6	5.9	7.9	-	-
Brunel Infrastructure - Cycle 2		10.1	15.9	-	-	-	-
Brunel Infrastructure - Cycle 3		-	-	-	-	-	-

Brunel Secured Income – Cycle 1	2.0	10.1	-12.4	5.9	0.6	-	-
Brunel Secured Income – Cycle 2		10.1	-6.9	-	-	-	-
Brunel Private Debt - Cycle 2		6.3	8.1	-	-	-	-
Brunel Private Debt - Cycle 3		-	-	-	-	-	-
Cash	n/a	2.2	16.9	0.8	6.6	0.8	4.2
Total Fund		**-0.8**	**-3.9**	**10.7**	**9.4**	**6.3**	**5.7**

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

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

% Returns per annum for the financial year ended 31 March 2023				
Actual Returns	1 year	3 years	5 years	10 years
Oxfordshire Total Fund Return	-3.9	9.4	5.7	7.2
Average Returns				
PIRC LGPS Universe Median Return	-1.6	9.6	6.0	7.3
Oxfordshire Benchmark	-0.8	10.7	6.3	7.4

Responsible Investment

Fund managers produce reports outlining their engagement and ESG related activity. All of the Fund's investment managers are signatories to the United Nations Principles for Responsible Investment Initiative. Fund managers and officers monitor ESG related developments and ad-hoc reports are produced for the Committee on topical ESG issues relevant to the Fund. In 2019/20 the Pension Fund adopted a Climate Change Policy recognising this as the single most important factor that could materially impact its long-term investment performance given its systemic nature and the effects it could have on global financial markets. A copy of the Policy is available on the Council's website:
(https://mycouncil.oxfordshire.gov.uk/documents/s50129/PF_MAR0620R20%20Appendix%20to%20Annex%201%20OCCPF%20Climate%20Change%20Policy%20Draft.pdf).

The Fund has produced a report based on the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations which is included below on pages 41-67:

Voting

Introduction

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

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

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

Oxfordshire Pension Fund

www.oxfordshire.gov.uk/pensions

Oxfordshire County Council Pension Fund TCFD Report 2022/23

August 2023

Oxfordshire County Council Pension Fund Taskforce on Climate-related Financial Disclosures Report 2022/23

Introduction

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

August 2021 saw the Intergovernmental Panel on Climate Change (IPCC) publish the first report in its Sixth Assessment Cycle covering the physical science basis. This was followed by two further reports in 2022 on impacts, adaptations and vulnerability, and mitigation of climate change. The reports are unequivocal that current action to reduce GHG emissions are inadequate to limit warming to 1.5°C, and that the consequences of failing to limit warming to this level will be dire.

The United Nations Environment Programme's 2022 Emissions Gap Report shows how far off-target the world currently is from meeting a commitment of keeping global temperature rise below 1.5°C. According to the report, policies currently in place point to a 2.8°C temperature rise by the end of the century. Implementation of the current pledges will only reduce this to a 2.4-2.6°C temperature rise by the end of the century, for conditional and unconditional pledges respectively. These temperatures are well above the goals of the Paris agreement and would lead to catastrophic changes in the Earth's climate, with severe associated damage to society and the economy

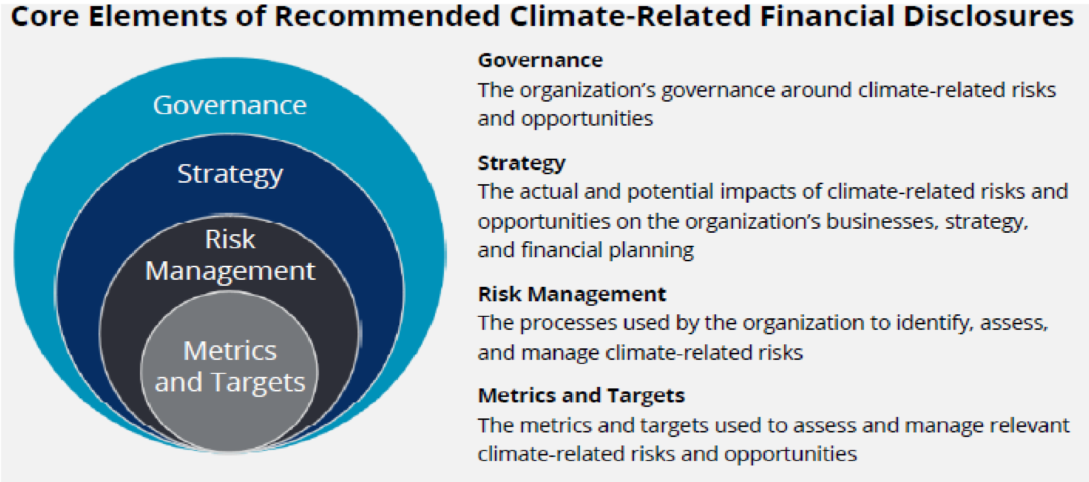
Both reports still give some cause for optimism in that they state that there is time for a technically feasible, cost-effective, and socially acceptable pathway to achieve net zero by 2050. However, the pathways are narrow and extremely challenging and require a rapid step up in the commitments and actions of all stakeholders across the globe.

The UNEP report identifies the financial system as key to moving the global economy into alignment with a 1.5°C pathway. "Realignment of the financial system is a critical enabler of the transformations needed".

Background to the TCFD

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

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



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

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

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

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

At present there is no requirement for LGPS funds to report under TCFD. However, the Department for Levelling Up, Housing & Communities (DLUHC) has stated that it intends for TCFD reporting in the LGPS to become mandatory and intends to issue guidance on this in due course. The Pension Fund determined in its Climate Change Policy Implementation Plan that a TCFD report would be included in its 2020/21 Annual Report and in each Annual Report going forwards.

This report looks to align the Oxfordshire Pension Fund's reporting under the TCFD framework with the expectations outlined in draft guidance produced by DLUHC.

Governance

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

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

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

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

In June 2020 the Pension Fund Committee agreed a Climate Change Policy and Climate Change Policy Implementation Plan. Progress against the Policy and Implementation Plan is to be reported to Committee quarterly with a more detailed annual review. 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 Investment Adviser, a scheme member representative, and a member of the Fossil Free Oxfordshire campaign group. The Working Group aims to meet quarterly and report back to the Committee at its quarterly meetings.

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

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

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

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

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

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

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

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

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

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

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

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

Strategy

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

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

The most significant long-term risk is the systemic risk across financial markets, including social and other factors, associated with climate change that could arise if actions are not taken to adhere to the Paris Agreement. Setting a target of Net Zero Paris alignment by 2050 is a commitment by the Fund to help to manage and mitigate that systemic risk, with a view to being able to meet the Fund's liabilities into the future.

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

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

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

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

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

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

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

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

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

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

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

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

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

Given that the intention under government pooling guidance is for all Fund investments to take place via Brunel's portfolios, it makes sense for the Fund's scenario planning to be based upon scenario planning carried out by Brunel. This work by Brunel is due to take place in late 2023 or early 2024. As such, it is the aim of the Fund to include scenario planning based on the modelling carried out by Brunel in the next cycle of TCFD reporting in 2024.

Risk Management

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

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

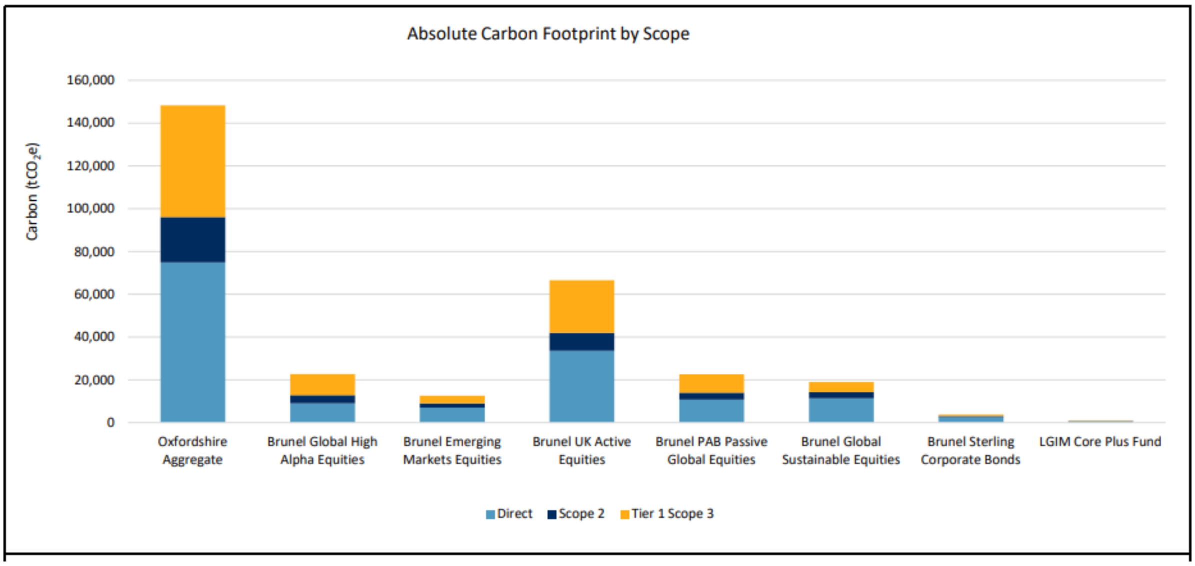
The Fund meets regularly with Brunel and discusses climate issues including any identified from the narrative reporting or climate metrics provided by Brunel.

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

Case Study – reallocation from the UK Equity Portfolio

The graph below is taken from the 2023 Brunel Climate Metrics report for the Oxfordshire Fund. It shows the 2022 absolute carbon footprint for the Fund, at both an aggregated fund level and at portfolio level. This data shows that around half of the aggregated absolute carbon footprint of the Fund originated in the UK Active Equities Portfolio.

This information, alongside other data in the Carbon Metrics report on fossil fuel reserves, where the UK Active Equities Portfolio had the greatest exposure, helped inform a decision by the Pension Fund Committee in June 2023 to reallocate around 5% of the overall Fund value away from the UK Active Equities portfolio and into the Global Sustainable Equities and Passive World Developed PAB portfolios. In addition, for the remaining 10% allocation to UK Equities the Fund determined to move away from the FTSE100 which has a high weighting to emissions intensive companies to a broader UK benchmark incorporating small and mid-cap companies.



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

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

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

Case Study – climate change opportunities in private markets:

Through Brunel the Fund invests into private market portfolios, including an infrastructure portfolio with a skew towards renewable technologies and sustainable infrastructure. Climate risk, in terms of both transition and physical risks, is fully embedded into the approach of Brunel's private markets team. The risks are managed to maximise effectiveness in each of the strategies but are also appropriate for the level of control Brunel can exercise in different vehicles.

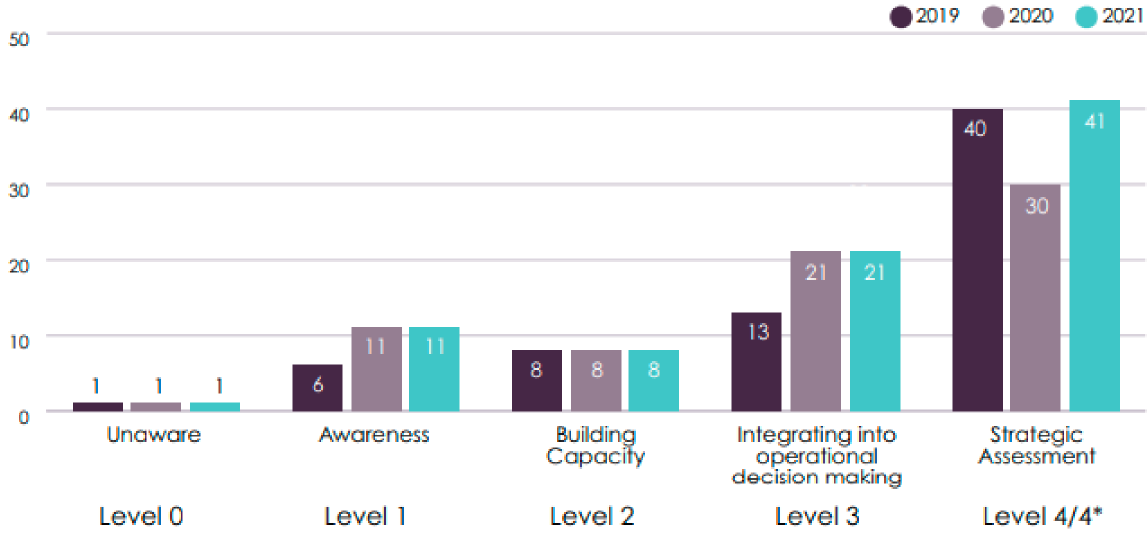
The private market portfolios are also the area where Brunel has identified significant potential for investing in climate solutions. Renewable energy investments are a core component in Brunel's private market investments, representing in excess of 35% of cycle 1 commitments and at least 50% of cycle 2 commitments within its infrastructure portfolios.

Case study: solar energy infrastructure investment

Springbok is a 448 Megawatt solar development in Kern County, California, one of the largest solar developments in the world. The fund is invested, through Cycle 1, in the development of the site through the Capital Dynamics Clean Energy Infrastructure VII-A fund.

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

Brunel's approach to voting escalation sees an initial vote against the reappointment of a company Chair escalate to other board members where they have not met their climate disclosure expectations. These expectations will increase over time with the target of all their material holdings being on the Transition Pathway Initiative (TPI) Level 4, and having made meaningful progress to alignment with a 2 degree or below pathway. The chart below shows the available TPI scores for 2019 - 2021 across Brunel's listed equity portfolios.



Case study - AGM voting at Shell and BP in 2023

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

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

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

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

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

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

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

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

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

Metrics and Targets

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

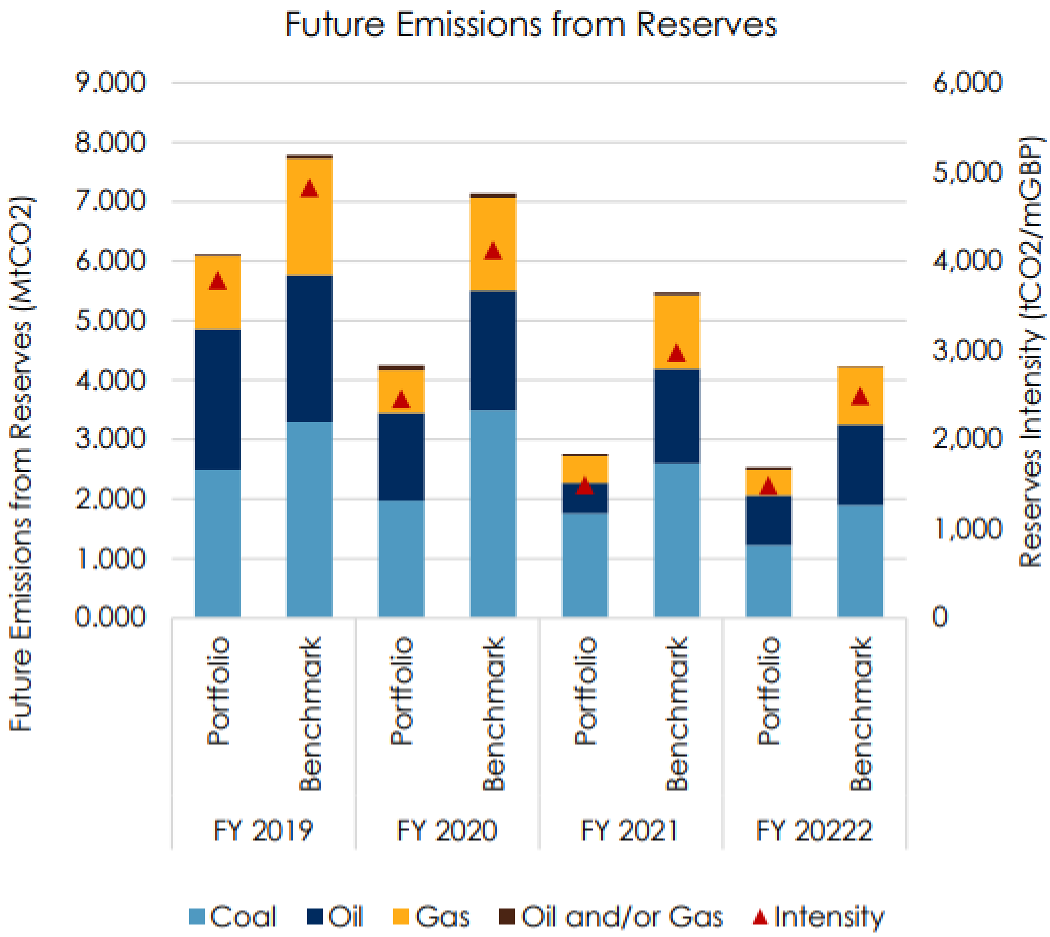
Metrics reported in this section are from the Fund's Carbon Metrics Reports. The report includes equity and fixed income assets covering around 55% of the Fund's overall investment portfolio. The Fund is working to improve reporting across other asset classes, including private markets, so that the level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

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

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

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

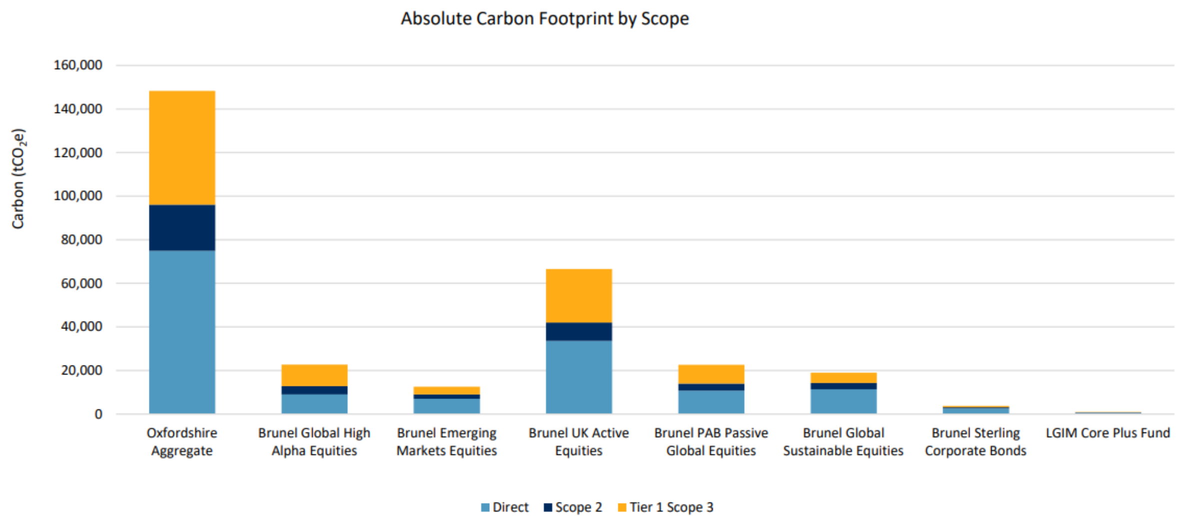
The bar chart below shows fossil fuel reserves exposure for the Fund as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022



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

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

The graph below provides a snapshot of the Absolute Carbon Footprint by Scope of the Fund at an aggregated level and also at an individual portfolio level as at 31/12/2022.

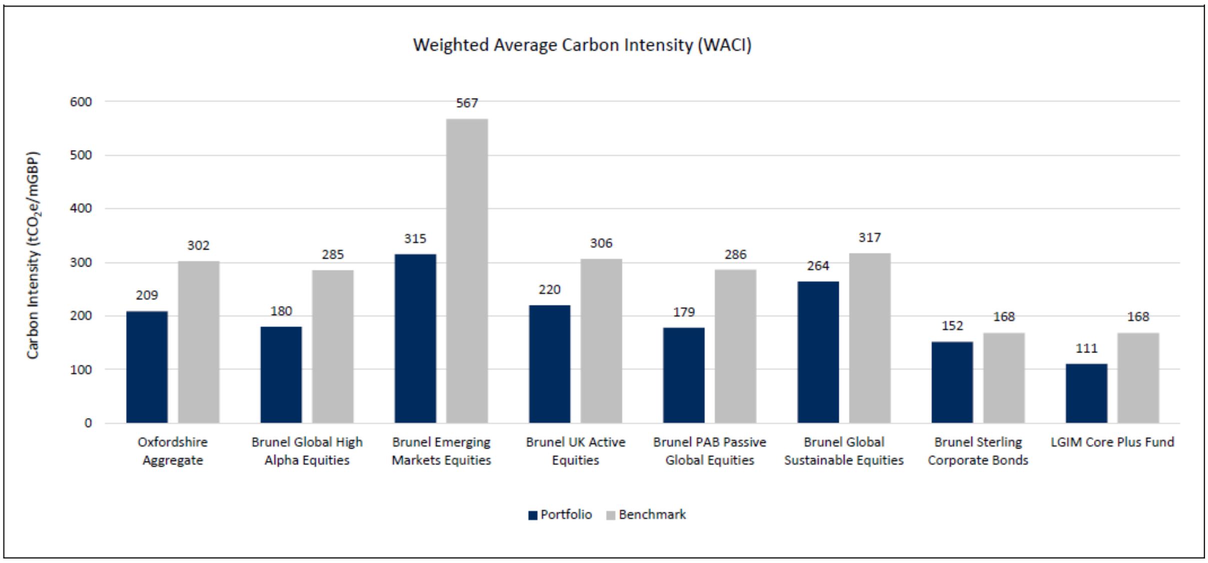


TCFD Recommended Disclosure – c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

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

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

According to the most recent Climate Metrics report from Brunel the WACI of the Oxfordshire Aggregate Portfolio is lower than its Strategic Benchmark, with a relative efficiency of +31%. Of the underlying portfolios within the aggregate, the highest intensity was the Brunel Emerging Markets Equities Portfolio (315t CO2e/mGBP), while the lowest one was the LGIM Core Fund Plus Portfolio (111t CO2e/mGBP). As shown in the graph below all portfolios have lower levels of carbon intensity compared to their respective benchmarks.



The overall WACI figure for 2022 saw an increase of 1.5% compared to the 2021 level. This means the annualised rate of reduction from 2019 is 5.2%, 2.4% below the annual target of 7.6%.

The main portfolios driving the rise in the WACI in 2022 were the Active UK Equities and the Active Global High Alpha Equities. There was also a relatively small (1%) increase in the FTSE Passive Paris Aligned Benchmark (PAB) Global Index WACI.

The increase in the Passive PAB Global Index WACI is, on the face of it, surprising because for a fund to be a Paris Aligned Benchmark (PAB) the carbon intensity figure should decline by 7% annually. However, there is an issue here with how those intensity figures are calculated for the PAB compared to other Brunel portfolios.

For TCFD reporting it is recommended that the key portfolio carbon metric is the Weighted Average Carbon Intensity (WACI), which is based on the amount of carbon emissions associated with the company's *revenues*. This is the metric that the Fund uses as a target. The metric for measuring the carbon intensity of an index for it to be Paris Aligned is based upon the carbon emissions associated with the *value of the company* when the share price and debt are combined, this figure for a company is called enterprise value including cash (EVIC). Under this latter calculation the Passive PAB Global Index met its target of a 7.5% decline in intensity, however, under the WACI calculation using revenues there was a slight increase.

This highlights the drawbacks of only looking at a single metric and links into the Fund's target to develop additional metrics including forward looking ones. Brunel is currently in the process of engaging with the FCA to develop a set of metrics that could be applied across all portfolios to measure the extent to which they are aligned with a Net Zero Paris target of holding global temperatures rises at or below 1.5°C.

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

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

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

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

Climate Change Policy Implementation Plan Progress

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

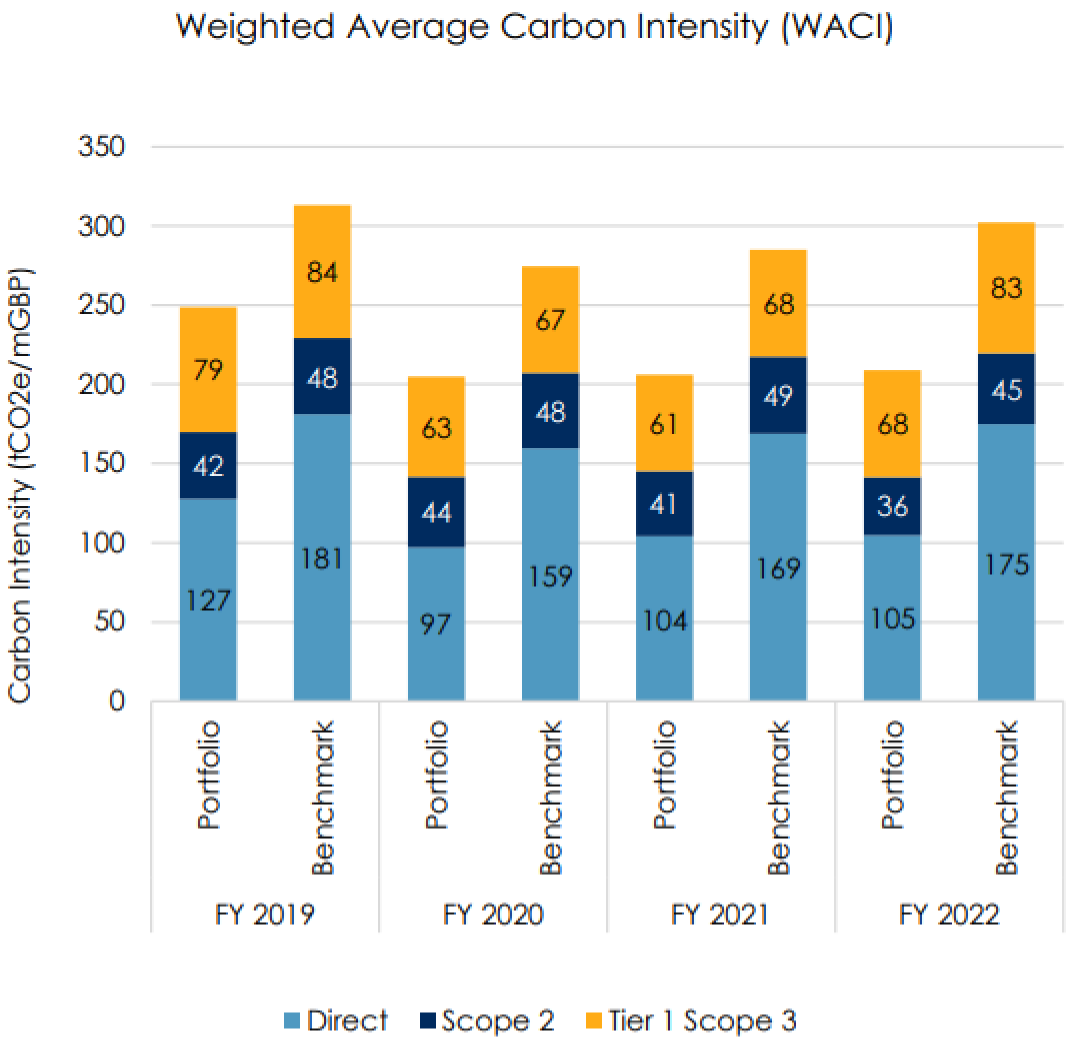
Activity	Status	Notes
Target a 7.6% annual reduction in GHG emissions across its investment portfolios using WACI as a metric	Slightly under target	Currently delivering a 5.2% annual reduction using WACI as a metric, 2.4% below the target
Work with Brunel to establish whether alternative portfolios are available that better deliver on the Policy than current options	On target	Passive funds moved to PAB index; rebalancing of equity towards Global Sustainable and Passive FTSE PAB portfolios
Consider the renewable infrastructure weighting when making future allocations to the Brunel Infrastructure portfolio	On target	Infrastructure funds Cycle 2 and 3 have higher renewables weighting. Exploring investment into a specific climate solutions portfolio
Investigate an appropriate metric for measuring the proportion of assets invested in climate mitigation and adaptation	On target	Green revenues data now available for equity, bonds and infrastructure portfolios
Work with Brunel to set appropriate targets and measures of success in relation to engagement activity undertaken on the Fund's behalf	On target	The Fund supports the use of internationally recognised standards and frameworks such as the Transition Pathway Initiative as the basis for engagement
The effectiveness of the engagement approach operated by Brunel will be formally reviewed as part of the 2022 stocktake of their Climate Change Policy and the Pension Fund will contribute to this review.	Slightly under target	The Fund contributed to the Stocktake. Additionally, the Fund is supportive of escalation activities relating to BP and Shell this AGM voting season. The Fund is in ongoing discussions with Brunel regarding the effectiveness of the engagement approach in light of current portfolio holdings in tar sands companies.
Work with Brunel to identify or develop appropriate metrics, across all investment portfolios, to monitor the successful implementation of the Policy.	On target	Climate metrics report is a useful tool for measuring implementation of the policy. Also working with Brunel to develop metrics on green revenues and widening of coverage to all asset classes.
Consider joining investor groups whose aims align with those of the Pension Fund's Climate Change Policy.	On target	Member of the IIGCC, Climate Action 100+ and the Local Authority Pension Fund Forum
Investigate options for portfolio scenario analysis based on different climate change scenarios so that this can be incorporated in the next fundamental asset allocation review in 2023.	Under target	Working with Brunel on developing scenario analysis for all investment portfolios/asset classes

Pension Fund to be carbon neutral on its own operations by 2030.	On target	Working with the Oxfordshire County Council Net Zero team to benchmark current operations

Emissions Reduction Target

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

The chart below shows the Fund's Weighted Average Carbon Intensity (WACI) as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022. These were 248, 204, 206 and 209 tonnes of CO2 equivalent per million pounds revenue respectively representing **a reduction over the three-year period of 15.7% and an annualized rate of reduction of 5.2%.**



While the Fund does not have a target for reductions in exposure to fossil fuel reserves this reduced by 35.3% from the 2020 level and has reduced by 55% since 2019.

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

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

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

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

Other Implementation Plan Items

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

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

Brunel worked closely with leading index provider FTSE Russell to develop two indexes that met the EU criteria to be classified as a Climate Transition Benchmark or a Paris Aligned Benchmark. These indexes were made available for investment in November 2021. The Pension Fund Committee made a decision to move the

Fund's full passive holdings of c.£530m to the Paris Aligned Benchmark fund putting it among the first group of investors to invest in the index. Of the two funds developed the Paris Aligned Benchmark has stricter climate criteria and effectively excludes fossil fuel companies from the index. The Fund has also been rebalancing some of its active equity funds away from portfolios with higher fossil fuel reserves exposure towards the Global Sustainable Equity and the Passive FTSE PAB Index portfolio, where exposure to reserves is lower and green revenues higher.

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

Brunel has removed the renewable infrastructure sleeve from its cycle 3 infrastructure portfolio and as such the Pension Fund is not able to separately allocate to renewables within its infrastructure allocations. However, the infrastructure portfolio specification states that a majority of the portfolio will seek to deliver climate solutions and a just energy transition to a lower carbon global economy.
To enable the Pension Fund to set targets for investments in Climate Solutions and have control over this the Fund is seeking the development of a Climate Solutions Portfolio to enable it to make specific allocations to climate solutions. Initial meetings between Brunel and the client funds have taken place on the development of this portfolio.

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

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

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

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

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

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

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

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

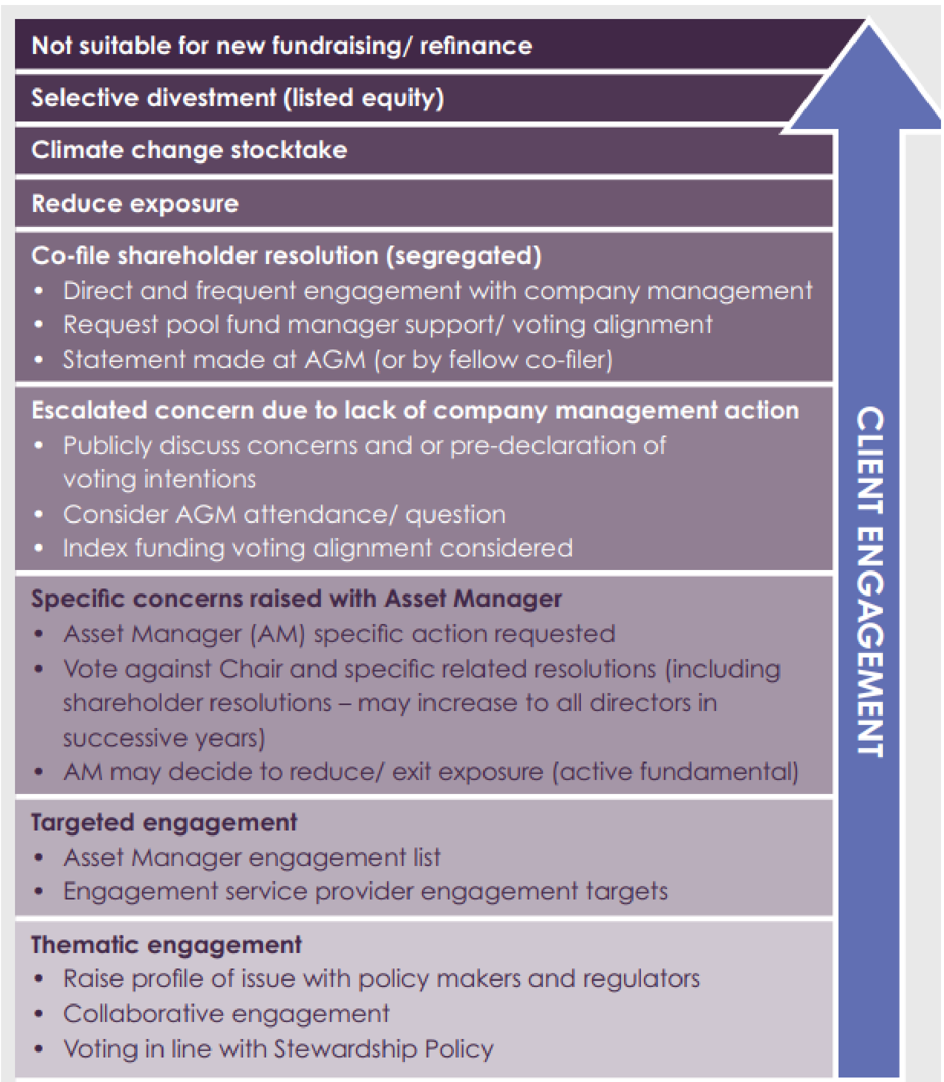
Brunel has three main strategies that it uses to persuade companies and other entities to act on climate change, namely: (a) direct engagement, including voting its shareholdings, (b) collaborative engagement, in particular through Climate Action 100+ (CA100+), and (c) engagement via its investment managers.

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

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

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

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



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

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

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

In 2022 Brunel engaged with 899 companies on 3,606 environmental, social, governance, strategy, risk and communication issues and objectives. Of these engagements 29% were on environmental issues, with 75% of those engagements relating to climate change.

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

The Fund is currently in discussion with Brunel and the other client funds over the effectiveness of the current engagement arrangements following concerns raised over holdings in the pure-play tar sands companies Suncor and MEG in the Global High Alpha portfolio. The Fund is seeking support for the Oxfordshire Engagement Policy agreed in June 2022 which sets a more ambitious approach than that currently adopted by the Partnership and includes timescales.

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

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

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

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

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

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

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

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

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

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

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

Given that the intention is for all investments to take place via Brunel's portfolios, it makes sense for the Fund's scenario planning to be based upon scenario planning carried out by Brunel. This work by Brunel is due to take place in late 2023 or early 2024. As such, it is the aim of the Fund to include scenario planning based on the modelling carried out by Brunel in the next cycle of TCFD reporting in 2024.

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 some examples of how climate change is being integrated into the investment process within the Brunel portfolios the Pension Fund is invested in.

Engagement - Physical Risk Engagement Project:

Brunel will be engaging a third party advisor to undertake an engagement programme linked to physical climate risk. The core engagement is with 10 companies and the Oxfordshire Fund will be taking part in an elective service to include an additional 10 companies into the project, spanning a two year period.

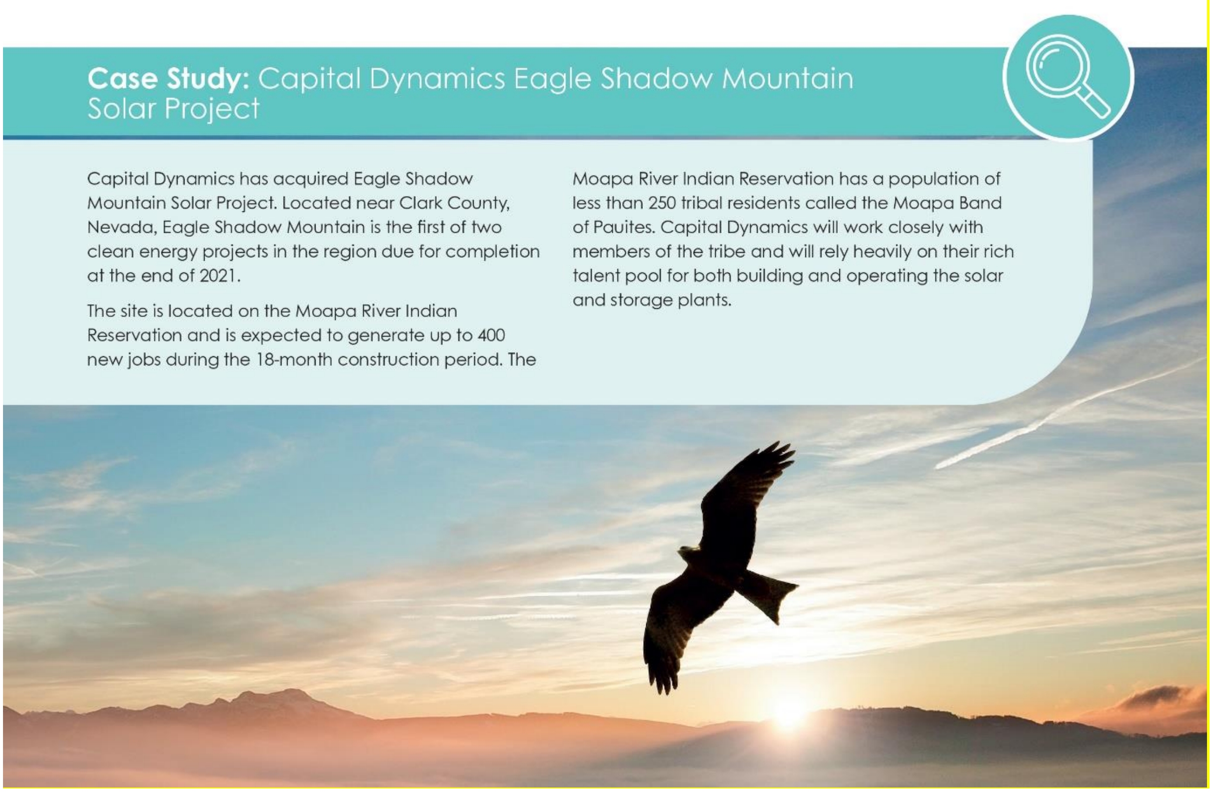
As part of this elective service the Fund will be able to play an active role in the design of the engagement programme, through contributing to the criteria for prioritising companies and feeding into the engagement framework that will be used to assess companies. The Fund will also be able to play an active role in the company engagement through participating in company meetings and reviewing meeting outcomes.

Case Study: Infrastructure, NTR – Reclaimed Landfill Site

NTR has acquired Ockendon solar farm following its acquisition from REG Power Management. The solar farm is located in Essex (UK), with the solar farm considered to be one of the largest to be built on a repurposed landfill site in Europe and will provide 58.8MWp for 17,000 homes, once operational.

NTR is held in our Cycle 1 Infrastructure portfolio. In line with NTR's focus on creating a circular economy to protect the environment, the former landfill site is being left undisturbed, with specialist engineering and design techniques being adopted by NTR to repurpose the land for renewable energy power generation.

Using the latest solar technology, NTR will install 540Watt bi-facial solar panels which are capable of capturing sunlight on both sides of the panel. These panels have a higher efficiency rate, resulting in increased output density and optimisation of energy yields per square metre. Mobilisation works have commenced with the project expected to be fully operational in Q3 2023.



Other Material

Employer Discretions

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

Fund Account for the Year Ended 31 March 2023			
	Notes	2023 £'000	2022 £'000
Contributions and Benefits			
Contributions Receivable	6	-114,312	-104,043
Transfers from Other Schemes	7	-14,980	-9,146
Other Income		-22	-17
Income Sub Total		**-129,314**	**-113,206**
Benefits Payable	8	103,572	97,394
Payments to and on Account of Leavers	9	10,681	7,738
Expenditure Sub Total		**114,253**	**105,132**
Net (Additions)/Withdrawals From Dealings With Members		**-15,061**	**-8,074**
Management Expenses	10	16,857	18,548
Net (Additions)/Withdrawals From Dealings With Members Including Management Expenses		**1,796**	**10,474**
Returns on Investments			
Investment Income	11	-20,338	-13,924
Profits and Losses on Disposal of Investments and Changes in Market Value of Investments	15a	128,018	-293,861
Less Taxes on Income	11	14	5
Net returns on Investments		**107,694**	**-307,780**
Net (Increase)/Decrease in the Net Assets Available for Benefits During the Year		**109,490**	**-297,306**
Opening Net Assets of the Scheme		3,279,642	2,982,336
Closing Net Assets of the Scheme		**3,170,152**	**3,279,642**

Net Assets as at 31 March 2023			
	Notes	2023 £'000	2022 £'000
Investment Assets			
Bonds	16b	0	80,934
Equities	16b	145,099	164,113
Pooled Investments	16b	2,684,400	2,675,425
Pooled Property Investments	16b	276,454	272,097
Derivative Contracts	16c	0	403
Cash Deposits	16d	11,952	6,626
Other Investment Balances	16d	1,888	2,168
Long-Term Investment Assets	16b	840	840
Investment Liabilities			
Derivative Contracts	16c	0	-628
Other Investment Balances	16d	-66	-548
Total Investments		**3,120,567**	**3,201,430**
Assets and Liabilities			
Current Assets	17	51,818	80,042
Current Liabilities	18	-2,643	-1,833
Net Current Assets		**49,175**	**78,209**
Long-Term Assets	19	410	3
Net Assets of the scheme available to fund benefits at year end		**3,170,152**	**3,279,642**

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

Note 1 – Description of the fund

This description of the Fund is a summary only. Further details are available in the Fund's 2022/23 Annual Report and in the underlying statutes.

General

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

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

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

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

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

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

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

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

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

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

	As at 31 March 2023	As at 31 March 2022
Number of Contributory Employees in Scheme		
Oxfordshire County Council	8,512	8,206
Other Scheduled Bodies	12,643	12,443
Admitted Bodies	433	478
	21,588	**21,127**
Number of Pensioners and Dependants		
Oxfordshire County Council	10,447	9,996
Other Scheduled Bodies	6,855	6,484
Admitted Bodies	1,210	1,158
	18,512	**17,638**
Deferred Pensioners		
Oxfordshire County Council	16,268	16,234
Other Scheduled Bodies	13,623	12,559
Admitted Bodies	1,265	1,305
	31,156	**30,098**

Unprocessed leavers are included as Deferred Pensioners.

Four Resolution Bodies and ten Admitted Bodies joined the scheme in 2022/23, with a further two Resolution Bodies and seven Admitted Bodies having left the scheme. Overall, the changes did not have a significant impact on the membership of the Fund. The Admitted Body employers that joined and left the Fund were mostly small school service contracts with low membership numbers.

Funding

The Oxfordshire County Council Pension Fund is financed by contributions from employees and employers, together with income earned from investments. The contribution from employees is prescribed by statute, and for the year ending 31 March 2023 rates ranged from 5.5% to 12.5% of pensionable pay.

Employers' contribution rates are set following the actuarial valuation, which takes place every three years. The latest actuarial valuation took place in 2019 and determined the contribution rates to take effect from 01 April 2020. Employer contribution rates currently range from 14.8% to 37.3% of pensionable pay.

Benefits

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

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

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

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

Note 2 – Basis of Preparation

The accounts have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.

Regulation 5(2)(c) of the Pension Scheme (Management and Investment of Funds) Regulations 1998 (SI 1998 No 1831) prohibits administering authorities from crediting Additional Voluntary Contributions to the Pension Fund. In consequence Additional Voluntary Contributions are excluded from the Net Assets Statement and are disclosed separately in Note 22.

The accounts summarise the transactions of the Pension Fund and detail the net assets of the Fund. The accounts do not take account of the obligation to pay future benefits which fall due after the year-end. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 25.

The accounts have been prepared on a going concern basis. The Fund does not anticipate a significant impact on the Fund's cashflow or balance sheet position over the next couple of years as a result of the Covid-19 pandemic. The fund has not received any requests from employers for a contribution deferral and continues to receive contributions from all employers in line with the rates set in the 2019 actuarial valuation. The Fund's cashflow monitoring shows that cashflows from dealings with members continue to be positive each month and are currently running at around +£0.5m per month on average. Even if the cashflow position from dealing with members turns negative the Fund generates investment income that can also be used to pay pensions without the need to sell assets at a potentially suboptimal time. The Fund has a level of assets that would be able to cover pension payments for over a decade at current pension payment levels even if no further income was received. The Fund is subject to an actuarial valuation every three years so any deterioration in the funding position leading up to the valuation would be factored in when setting contribution rates for employers to ensure the fund is able to meet all its future obligations. The funding level of the Pension Fund as assessed by the Fund's actuary at the 2022 valuation was 111%. Therefore, management are assured the pension fund remains a going concern.

Note 3 – Summary of Significant Accounting Policies

Investments

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

    (a) The majority of listed investments are stated at the bid price or where the bid price is not available, the last traded price, as at 31 March 2023.

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

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

    (d) Where appropriate, investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling on 31 March 2023.

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

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

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

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

Foreign Currencies

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

Contributions

3. Employee normal contributions are accounted for when deducted from pay. Employer normal contributions that are expressed as a rate of salary are accounted for on the same basis as employees' contributions, otherwise they are accounted for in the period they are due under the Schedule of Contributions. Employer deficit funding contributions are accounted for on the due dates on which they are payable in accordance with the Schedule of Contributions and recovery plan under which they are being paid or on receipt if earlier than the due date.

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

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

Benefits, Refunds of Contributions and Transfer Values

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

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

Investment Income

5. Dividends and interest have been accounted for on an accruals basis. Dividends from quoted securities are accounted for when the security is declared ex-div. Interest is accrued on a daily basis. Investment income is reported net of attributable tax credits but gross of withholding taxes. Irrecoverable withholding taxes are reported separately as a tax charge. In the majority of cases investment income arising from the underlying investments of the Pooled Investment Vehicles is reinvested within the Pooled Investment Vehicles and reflected in the unit price. It is reported within 'Changes in Market Value of Investments'. Foreign income has been translated into sterling at the date of the transaction. Income due at the year-end was translated into sterling at the rate ruling at 31 March 2023.

Investment Management and Scheme Administration

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

Expenses

7. Expenses are accounted for on an accruals basis.

Cash

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

Listed Private Equity

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

Management Fees

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

Note 4 – Critical Judgements in Applying Accounting Policies

Unquoted Private Equity Investments

Determining the fair value of unquoted private equity investments is highly subjective in nature. Unquoted private equity investments are valued by the investment managers using various valuation techniques and this involves the use of significant judgements by the managers. The value of unquoted private equity, private debt and infrastructure investments at 31 March 2023 was £389.596m (£303.160m at 31 March 2022).

Pension Fund Liability

The pension fund liability is calculated every three years by the Fund's actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 28. The estimate of the liability is therefore subject to significant variances based on changes to the assumptions used.

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date, and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.
The key judgements and estimation uncertainties that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are:-

Item	Uncertainties	Potential Impact
Actuarial Present Value of Promised Retirement Benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on fund assets. The fund engages an actuarial firm to provide expert advice on the assumptions to be applied.	The actuarial present value of promised retirement benefits included in the financial statements is £3,278m. There is a risk that this figure is under, or overstated in Note 25 to the accounts. Sensitivities to the key assumptions are as follows: A 0.1% p.a. increase in the pension increase rate would result in an approximate 2% increase to liabilities (£55m). A 0.1% p.a. increase in the salary increase rate would result in an approximate increase to liabilities of 0.1% (£5m). A 0.1% decrease in the real discount rate would result in an approximate 2% increase to liabilities (£59m). A one-year increase in member life expectancy would approximately increase the liabilities by 4% (£131m).
Unquoted Private Equity	Unquoted private equity and infrastructure investments are valued at fair value using recognised valuation techniques. Due to the assumptions involved in this process	Unquoted private equity, private debt and infrastructure investments included in the financial statements total £389.596m. There is a

	there is a degree of estimation involved in the valuation.	risk these investments are under, or overstated in the accounts. The Pension Fund relies on specialists to perform the valuations and does not have the information (i.e. the assumptions that were used in each case) to produce sensitivity calculations. Further details are included in Note 26.

Note 6 – Contributions

	2022/23 £'000	2021/22 £'000
Employers		
Normal	-75,718	-69,429
Augmentation	0	0
Deficit Funding	-8,721	-7,235
Costs of Early Retirement	-857	-896
	-85,296	**-77,560**
Members		
Normal & Additional*	**-29,016**	**-26,483**
Total	**-114,312**	**-104,043**

*Local Government Scheme Additional Employees contributions are invested within the Fund, unlike AVCs which are held separately, as disclosed in Note 23.

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

	Employer Contributions	Members Contributions

	2022/23 £'000	2021/22 £'000	2022/23 £'000	2021/22 £'000
Oxfordshire County Council	-36,321	-32,404	-12,072	-10,672
Scheduled Bodies	-41,908	-38,495	-14,468	-13,344
Resolution Bodies	-4,191	-4,086	-1,623	-1,600
Community Admission Bodies	-1,490	-1,099	-373	-362
Transferee Admission Bodies	-1,386	-1,476	-480	-505
Total	**-85,296**	**-77,560**	**-29,016**	**-26,483**

Note 7 - Transfers In

	2022/23 £'000	2021/22 £'000
Individual Transfers In from other schemes	-14,980	-9,146
Group Transfers In from other schemes	0	0
Total	**-14,980**	-9,146

Note 8 - Benefits

	2022/23 £'000	2021/22 £'000
Pensions Payable	85,687	80,268
Lump Sums – Retirement Grants	14,892	13,988
Lump Sums – Death Grants	2,993	3,138
Total	**103,572**	**97,394**

	Pensions Payable		Lump Sums	
	2021/22 £'000	2020/21 £'000	2021/22 £'000	2020/21 £'000
Oxfordshire County Council	39,124	38,411	7,162	7,375
Scheduled Bodies	34,771	33,924	7,608	4,264
Resolution Bodies	1,094	946	791	608
Community Admission Bodies	4,124	3,921	1,111	769
Transferee Admission Bodies	1,155	1,019	454	472
Total	**80,268**	**78,221**	**17,126**	**13,488**

Note 9 - Payments to and on account of leavers

	2022/23 £'000	2021/22 £'000
Refunds of Contributions	218	213
Payments for members joining state scheme	-2	-2
Group Transfers Out to other schemes	0	0
Individual Transfers Out to other schemes	10,465	7,527
Total	**10,681**	**7,738**

Note 10 - Management Expenses

	2022/23	2021/22

	£'000	£'000
Administrative Costs	1,987	2,951
Investment Management Expenses	13,985	13,776
Oversight & Governance Costs	885	1,821
Total	**16,857**	**18,548**

Within oversight and governance costs are fees paid to the Pension Fund's external auditors of £0.025m (2021/22 £0.024m) for the audit of the Pension Fund's Annual Report and Accounts. Further external audit fees of £0m were paid in 2022/23 (2021/22 £0.0012m).
A further breakdown of Investment Management Expenses is in Note 12.

Note 11 – Investment Income

	2022/23 £'000	2021/22 £'000
Bonds	-578	-1,907
Equity Dividends	-4,084	-4,189
Pooled Property Investments	-6,877	-5,281
Pooled Investments – Unit Trusts & Other Managed Funds	-7,744	-2,469
Interest on cash deposits	-1,055	-77
Other – securities lending	0	-1
	-20,338	**-13,924**
Irrecoverable withholding tax - equities	14	5
Total	**20,324**	**13,919**

Note 12 – Investment Management Expenses

	2022/23 £'000	2021/22 £'000
Management Fees	13,933	13,703
Custody Fees	52	73
Total	**13,985**	**13,776**

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

Note 13 – Securities Lending

The Fund operated a securities lending programme with its custodian State Street Bank and Trust Company for the duration of the financial year. Collateralised lending generated income of £0.000m in 2022/23 (2021/22 £0.001m). This is included within investment income in the Pension Fund Accounts. At 31 March 2023 £0m (31 March 2022 £0m) of stock was on loan, for which the fund held £0m (31 March 2022 £0m) worth of collateral. Collateral consists of acceptable securities and government and supranational debt.

Note 14 – Related Party Transactions

The Pension Fund is required to disclose material transactions with related parties, and bodies or individuals that have the potential to control or influence the Pension

Fund, or to be controlled or influenced by the Pension Fund. Disclosure of these transactions allows readers to assess the extent to which the Pension Fund might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Pension Fund.

Members of the Pension Fund Committee and the post of Service Manager (Pensions) are the key management personnel involved with the Pension Fund. During 2022/23, the Committee consisted of five County Councillors (voting members),four employer representatives and a scheme member representative. Members of the Pension Fund Committee are disclosed in the Pension Fund Report and Accounts. An amount of £0.123m was paid to Oxfordshire County Council in respect of key management compensation during the financial year as follows:

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

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

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

For the 12 months ended 31 March 2023, employer contributions to the Pension Fund

	2022/23 £'000	2021/22 £'000
Short Term Benefits*	106	102
Long Term/Post Retirement Benefits	17	17
Total	**123**	**119**

from the County Council were £36.321m (2021/22 £32.404m). At 31 March 2023 there were receivables in respect of contributions due from the County Council of £4.049m (2021/22 £4.096m) and payables due to the County Council of £0.336m (2021/22 £0.186m).

The County Council was reimbursed £1.682m (2021/22 £1.553m) by the Pension Fund for administration costs incurred by the County Council on behalf of the Pension Fund.

Brunel Pension Partnership Ltd (Company Number 10429110)

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

Each of the 9 Administering Authorities, including Oxfordshire County Council, and the Environment Agency own 10% of BPP Ltd. Pension Fund transactions with BPP Ltd are as follows:

	2022/23 £'000	2021/22 £'000

Income	0	0
Expenditure	1,182	1,098
Receivables	0	0
Payables	0	0

Note 15 - Investments

	Value at 31.3.2023 £'000	Value at 31.3.2022 £'000
Investment Assets		
Bonds	0	80,934
Equities	145,099	164,113
Pooled Funds:		
- Fixed Income	152,779	152,090
- Index Linked	167,642	202,619
- Global Equity	1,226,423	1,230,190
- UK Equity	497,259	486,075
- Private Equity	218,892	192,661
- Private Debt	40,443	12,204
- Infrastructure Funds	130,261	98,295
- Diversified Growth Fund	116,201	162,007
- Multi Asset Credit Fund	134,500	139,284
Pooled Property Investments	276,454	272,097
Derivatives:		
- Forward Currency Contracts	0	126
- Futures	0	277
Cash Deposits	11,952	6,626
Long-Term Investments	840	840
Investment Income Due	1,888	2,134
Amounts Receivable for Sales	0	34
Total Investment Assets	**3,120,633**	**3,202,606**
Investment Liabilities		
Derivatives:		
- Forward Currency Contracts	0	-554
- Futures	0	-74
Management Expenses Due	-66	-158
Amounts Payable for Purchases	0	-390
Total Investment Liabilities	**-66**	**-1,176**
Net Investment Assets	**3,120,567**	**3,201,430**

Note 15a – Reconciliation of Movements in Investments and Derivatives

	Value at 1 April 2022	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Movement	Increase in Receivables/ (Payables)	Value at 31 March 2023
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Bonds	80,934	34,495	-98,362	-17,067			0
Equities	164,113	2,813	-12	-21,815			145,099
Pooled Investments	2,675,425	120,155	-90,803	-20,377			2,684,400
Pooled Property Investments	272,097	108,030	-32,974	-70,699			276,454
Long-Term Investments	840						840
Derivative Contracts FX	-428	2,299	-1,687	-184			0
Futures	203	3,248	-5,133	1,682			0
Other Investment Balances							
Cash Deposits	6,626	62,228	-56,215	441	-1,128		11,952
Amounts Receivable for Sales of Investments	34	0	0			-34	0
Investment Income Due	2,134	0	0	1		-247	1,888
Amounts Payable for Purchases of Investments & Management Expenses	-548	0	0	0		482	-66
Total	**3,201,430**	**333,268**	**-285,186**	**-128,018**	**-1,128**	**201**	**3,120,567**

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

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

Purchases and sales relating to derivative contracts consist of forward foreign exchange contracts that are used for the purpose of currency hedging. Further details are contained in note 15c.

	Value at 1 April 2021	Purchases at Cost & Derivative Payments	Sales Proceeds & Derivative Receipts	Change in Market Value	Cash Move-ment	Increase in Receivables/ (Payables)	Value at 31 March 2022
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Bonds	310,417	712,588	-951,066	8,995			80,934
Equities	128,163	38	-236	36,148			**164,113**
Pooled Investments	2,258,527	2,393,511	-2,184,570	207,957			**2,675,425**
Pooled Property Investments	211,155	61,923	-41,446	40,465			**272,097**
Long-Term Investments	840						**840**
Derivative Contracts							
FX Futures	3,857 0	2,228 1,861	-5,878 -2,763	-635 1,105			**-428** **203**
Other Investment Balances							
Cash Deposits	26,978	50,748	-61,620	-181	-9,299		**6,626**
Amounts Receivable for Sales of Investments	751					-717	**34**
Investment Income Due	1,810			7		317	**2,134**
Amounts Payable for Purchases of Investments & Management Expenses	21,174					20,626	**-548**
Total	**2,921,324**	**3,222,897**	**(3,247,579)**	**293,861**	**-9,299**	**20,226**	**3,201,430**

Note 15b - Analysis of Investments (Excluding Derivative Contracts, Cash Deposits and Other Investment Balances)

Long-Term Investments Assets

	2022/23 £'000	2021/22 £'000
Brunel Pension Partnership Ltd	840	840
Total	**840**	**840**

Bonds

	2022/23 £'000	2021/22 £'000
UK Government	0	22,248
Overseas Government	0	18,405
UK Government Index Linked	0	40,281
Total	**0**	**310,417**

Equity Investments

	2022/23 £'000	2021/22 £'000
UK Equities	135,423	154,024
Overseas Listed Equities:		
North America	9,343	9,768
Europe	333	321
Total	**145,099**	**164,113**

Pooled Investment Vehicles

	2022/23 £'000	2021/22 £'000
UK Registered Managed Funds - Property	86,893	88,341
Non UK Registered Managed Funds - Property	49,637	18,429
UK Registered Managed Funds - Other	2,044,102	2,070,974
Non UK Registered Managed Funds - Other	640,298	604,451
UK Registered Property Unit Trusts	97,605	113,909
Non UK Registered Property Unit Trusts	42,319	51,418
Total	**2,960,854**	**2,947,522**

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

	2022/23 £'000	2021/22 £'000
	3,106,793	**3,193,409**

Note 15c - Derivative Contracts

Objectives and policies

The Pension Fund Committee have authorised the use of derivatives by some of their Investment Managers as part of the investment strategy for the pension scheme.

The main objectives and policies followed during the year are summarised as follows:

Forward Foreign Exchange – in order to maintain appropriate diversification of investments within the portfolio and take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies whilst having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.
Futures – exchange traded futures are permitted in the fixed interest portfolio to provide exposure to or hedge against movements in the underlying government bonds or interest rates.

Forward Foreign Exchange (FX)
The scheme had no open FX contracts at the year-end:

Contract	Settlement Date	Currency Bought £'000	Currency Sold £'000	Asset value at year end £'000	Liability value at year end £'000	Net Forward currency Contracts £'000
Forward Currency Contracts at 31 March 2023				**0**	**0**	**0**
Prior Year Comparative						
Forward Currency contracts at 31 March 2022				**126**	**-554**	**-428**

Futures
The scheme had exchange traded overseas fixed interest index futures outstanding at the year-end relating to its bond portfolio as follows:

Type	Expires	Economic Exposure £'000	Market Value 31 March 2023 £'000	Economic Exposure £'000	Market Value 31 March 2022 £'000
Assets					
Overseas Fixed Income Futures	Less than one year	0	0	-16,462	277
Total Assets			**0**		**277**
Liabilities					
UK Fixed Income Futures	Less than one year	0	0	970	-7
Overseas Fixed Income Futures	Less than one year	0	0	713	67
Total Liabilities			**0**		**-74**
Total Assets			**0**		203

£0 (2021/22 -£780.82) is included within cash balances in respect of initial and variation margins arising on open contracts at the year end.

Note 15d - Other Investment Balances

	2022/23 £'000	2021/22 £'000
Receivables		
Sale of Investments	0	34
Dividend & Interest Accrued	1,659	1910
Inland Revenue	229	224
	1,888	**2,168**
Payables		
Purchase of Investments	0	-390
Management Fees	-61	-155
Custodian Fees	-5	-3
	-66	**-548**
Total	**1,822**	**1,620**

Cash Deposits

	2022/23 £'000	2021/22 £'000
Non-Sterling Cash Deposits	11,952	6,626
Total	**11,952**	**6,626**

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

	2022/23 £'000	% of Total Fund	2021/22 £'000	% of Total Fund
Brunel UK Equity Fund	497,259	15.69	486,075	14.82
FTSE PAB Developed Equity Index Fund	496,833	15.67	493,610	15.05
Brunel HG ALP GLB EQ	336,236	10.61	334,815	10.21
Brunel GBL Sustainable Mutual Fund	311,965	9.84	315,963	9.63
Blackrock Aquila Life Fund	140,978	4.45	202,619	6.18

Note 16 - Current Assets

	2022/23 £'000	2021/22 £'000
Receivables:		
Employer Contributions	6,853	6,902
Employee Contributions	2,331	2,368
Rechargeable Benefits	1,065	1,107
Transferred Benefits	1,883	2,202
Cost of Early Retirement	110	236
Inland Revenue	18	11
Other	222	177
Cash Balances	39,336	67,039
Total	**51,818**	**80,042**

Note 17 - Current Liabilities

	2022/23 £'000	2021/22 £'000
Transferred Benefits	-186	-151
Benefits Payable	-865	-326
Inland Revenue	-1,190	-1,058
Employer Contributions	-1	0
Staff Costs	-135	-146
Consultancy	-50	-12
Other	-216	-140
Total	**-2,643**	**-1,833**

Note 18 - Long-Term Assets

	2022/23 £'000	2021/22 £'000
Employer Contributions	410	3
Total	**410**	**3**

Note 19 - Assets under External Management

The market value of assets under external fund management amounted to £2,928.266m as at 31 March 2023. The table below gives a breakdown of this sum and shows the market value of assets under management with each external manager.

	31/03/2023		31/03/2022	

Fund Manager	Market Value		Market Value	
	£'000	%	£'000	%
Brunel Pension Partnership	2,625,431	89.65	2,586,085	86.28
Legal & General	84,129	2.87	128,237	4.28
Insight	116,201	3.97	162,007	5.41
Adams Street Partners	63,600	2.17	74,040	2.47
Partners Group	39,314	1.34	45,888	1.53
Total	**2,928,675**	**100.00**	**2,996,257**	**100.00**

Note 20 – Top 5 Holdings

Value of the Fund's Top Five Holdings at 31 March 2023	£'000	% of Fund
HG Capital Trust Plc	66,688	2.10
Aberdeen Private Equity Opportunities Trust Plc	20,401	0.64
3i Group Plc	20,019	0.63
CT Private Equity Trust Plc	19,504	0.62
KKR + Co Inc Common Stock USD.01	9,343	0.29

Note 22 – Taxation

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

Note 22 – Additional Voluntary Contributions

	Market Value 31 March 2023 £'000	Market Value 31 March 2022 £'000
Prudential	12,278	13,816

AVC contributions of £1.044m were paid directly to Prudential during the year (2021/22 - £1.134m).

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

Note 23 – Contingent Liabilities and Capital Commitments

As at 31 March 2023 the fund had outstanding capital commitments (investments) totalling £313.060m (31 March 2022 - £258.535m). These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the pooled investments and pooled property fund elements of the investment portfolio. The amounts 'called' by these funds are irregular in both size and timing from the date of the original commitment due to the nature of the investments.

Note 24 – Investment Strategy Statement

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

Note 25 – Actuarial Present Value of Promised Retirement Benefits

	2023 £'000	2022 £'000
Present Value of Funded Obligation	3,278	4,529

The movement from March 2022 can in part be explained by the normal changes over the year as new benefits are accrued and previous benefits paid out. This explains an increase in the present value of the Funded Obligation of £435m (2022 - £202m increase).
There has been a decrease in the present value of the Funded Obligation of £1,686m (2022 - £350m decrease) reflecting changes in the financial assumptions used by the actuary as a consequence of changes in the financial markets. The key changes in financial assumptions were:

- A decrease in the assumed level of CPI, and therefore pension increase, from 3.2% to 3.0% (net effect a decrease in Present Value of Funded Obligation)
- A decrease in the assumed level of salary increases from 3.2% to 3.0% (net effect a decrease in Present Value of Funded Obligation)
- An increase in the discount rate to 4.75% from 2.7% (net effect a decrease in Present Value of Funded Obligation).

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

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

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

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

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

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

Note 26 – Financial Instruments

Note 26a – Classification of Financial Instruments

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

	2022/23			2021/22		
	Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000	Fair Value through Profit & Loss £'000	Financial Assets at Amortised Cost £'000	Financial Liabilities at Amortised Cost £'000
Financial Assets						
Bonds	0			80,934		
Equities	145,099			164,113		
Pooled Investments	2,684,400			2,675,425		
Pooled Property Investments	276,454			272,097		
Derivatives	0			403		
Cash		51,288			73,665	
Long-Term Investments	840			840		
Other Investment Balances	1,659			1,944		
Receivables		96			91	
	3,108,452	**51,384**	**0**	**3,195,756**	**73,756**	**0**

Financial Liabilities						
Derivatives	0			-628		
Other Investment Balances	-66			-548		
Payables			-194			-292
	-66	**0**	**-194**	**-1,176**	**0**	**-292**
Total	**3,108,386**	**51,384**	**-194**	**3,194,580**	**73,756**	**-292**

Note 26b – Net Gains and Losses on Financial Instruments

	31-Mar-23 £'000	31-Mar-22 £'000
Financial Assets		
Fair Value through Profit and Loss	-128,460	294,035
Loans and Receivables	0	0
Financial Assets at Amortised Cost	442	-174
Financial Liabilities		
Fair Value through Profit and Loss	0	0
Financial Liabilities Measured at Amortised Cost	0	0
Total	**-128,018**	**293,861**

Note 26c – Valuation of Financial Instruments Carried at Fair Value

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

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

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

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

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

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

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

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

Value at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets	108,541	2,371,112	716,103	3,195,756
Financial Assets at Fair Value through Profit & Loss	73,756	0	0	73,756
Financial Assets at Amortised Cost	**182,297**	**2,371,112**	**716,103**	**3,269,512**
Total Financial Assets				
Financial Liabilities	-548	-628	0	-1,176
Financial Liabilities at Fair Value through Profit & Loss	-292	0	0	-292
Financial Liabilities at Amortised Cost	**-840**	**-628**	**0**	**-1,468**
Total Financial Liabilities				
Net Financial Assets	**181,457**	**2,370,484**	**716,103**	**3,268,044**

Reconciliation of Movement in Level 3 Financial Instruments

	UK Equities £'000	Pooled Private Equity Funds £'000	Pooled Property Funds £'000	Pooled Infrastructure Funds £'000	Pooled Private Debt Funds £'000	Multi Asset Credit Funds £'000	Long-Term Investments £'000
Market Value 31 March 2022	722	192,661	272,097	98,295	12,204	139,284	840
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Purchases	0	37,412	79,009	29,608	29,197	0	0
Sales	0	-29,384	-32,680	-11,006	-227	0	0
Unrealised Gains/(Losses)	-43	3,317	-44,336	19,505	-731	-4,784	0
Realised Gains/(Losses)	0	14,886	2,364	-6,141	0	0	0
Market Value 31 March 2023	**679**	**218,892**	**276,454**	**130,261**	**40,443**	**134,500**	**840**

	UK Equities £'000	Pooled Private Equity Funds £'000	Pooled Property Funds £'000	Pooled Infrastructure Funds £'000	Pooled Private Debt Funds £'000	Multi Asset Credit Funds £'000	Long-Term Investments £'000
Market Value 31 March 2021	**758**	**133,739**	**211,155**	**51,862**	**0**	**0**	**840**
Transfers In	0	0	0	0	0	0	0
Transfers Out	0	0		0	0	0	0
Purchases	0	37,949	5,085	40,162	12,141	226,930	0
Sales	0	-32,817	-7,076	-2,587	-242	-85,998	0
Unrealised Gains/(Losses)	-36	39,385	60,085	8,885	305	-1,918	0
Realised Gains/(Losses)	0	14,405	2,848	-27	0	270	0
Market Value 31 March 2022	**722**	**192,661**	**272,097**	**98,295**	**12,204**	**139,284**	**840**

Level 3 Sensitivities

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

Level 3 Investments	Valuation Range +/-	Value at 31 March 2022 £'000	Valuation on Increase £'000	Valuation on Decrease £'000
UK Equities	10%	722	794	650
Pooled Private Equity Funds	10%	192,661	211,927	173,395
Pooled Property Funds	3%	272,097	277,539	263,934
Pooled Infrastructure Funds	5%	98,295	103,209	93,380
Pooled Private Debt Funds	5%	12,204	12,814	11,594
Multi Asset Credit Funds	5%	139,284	146,248	132,320
Long-Term Investments	0%	840	840	840

Note 27 – Risk

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

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

- The triennial Fund Valuation which reviews the assets and liabilities of the Fund, and resets employer contribution rates to target a 100% Funding Level. The 2022 Valuation estimated that the current Funding Level is 111%.
- The Investment Strategy Statement which sets out the Fund's approach to the investment of funds, and sets out the approach to the mitigation of investment risk.

- The review of the Strategic Asset Allocation to ensure it is appropriately aligned to the Fund's liability profile and to ensure compliance with the Investment Strategy Statement.
- The regular review of the performance of all Fund Managers.

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

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

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

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

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

- Credit risk – the possibility of financial loss stemming from other parties no longer being able to make payments or meet contractual obligations to the Pension Fund.

- Liquidity Risk – the possibility that the Pension Fund might not have the funds available to meet its payment commitments as they fall due.
- Market Risk – the possibility that the Pension Fund may suffer financial loss as a consequence of changes in such measures as interest rates, market prices, and foreign currency exchange rates.

Credit Risk

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

At 31 March 2023 the Fund's exposure to credit risk predominantly related to the following investments:

Investment Category	31 March 2023 £'000	31 March 2022 £'000
UK Government Gilts	15,350	22,248
UK Corporate Bonds	127,160	152,091
UK Index Linked Gilts	167,642	242,900
Overseas Government Bonds	10,269	18,405
Multi Asset Credit Funds	134,500	139,284
Non-Sterling Cash Deposits	11,952	6,626
Cash Balances	39,336	67,039
Total	**506,209**	**648,593**

The Pension Fund manages the credit risk by ensuring a diversification of investments both in terms of product and in terms of redemption dates, whilst limiting investments made to sub-investment grade bonds to those made through pooled funds. Corporate Bonds are held through a pooled fund vehicle and up to 15% of holdings can be invested in sub-investment grade bonds. Cash held in sterling at 31 March 2023 was deposited in short-term notice cash accounts and money market funds as shown in the table below:

	Rating	Balance at 31 March 2023 £'000	Rating	Balance at 31 March 2022 £'000
Money Market Funds				
Aberdeen Standard	AAA	14,465	AAA	25,004
State Street Global Advisors	AAA	33,389	AAA	41,625
Bank Current Accounts				
Lloyds Bank Plc	A+	2,507	A+	5,941
Santander UK Plc	A+	0	A+	0
State Street Bank & Trust Co	AA+	927	AA+	1,095
Total		**51,288**		**73,665**

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

Liquidity Risk

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

During 2022/23 the Pension Fund received/accrued income related to dealings with members of £129.3m (2021/22 £113.2m) and incurred expenditure related to dealings with members of £131.1m (2021/22 £123.7m). There were further receipts/accruals of £13.9m (2021/22 £13.9m) in respect of investment income, against which need to be set taxes of £0m (2021/22 £0m). The net inflow was therefore £12.1m (2021/22 £3.4m).

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

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

There are risks in this area going forward as a result of continuing reductions in public expenditure, and the resulting impact on active scheme membership. The reductions in public sector expenditure will impact on the liquidity of the Pension Fund both in terms of a reduction in contributions receivable as the workforce shrinks, as well as an increase in benefits payable as staff above the age of 55 are made redundant and become entitled to early payment of their pension. There are changes to the Scheme being consulted on that could impact on scheme membership levels although these changes would be expected to impact gradually over time. In addition, some employers are adopting models that have the potential to reduce scheme membership.

However, as noted above, for the Fund to reach a position where it is forced to sell assets and therefore face a potential financial loss, (as well as to forego future investment returns which have been assumed to meet pension liabilities in the future), the net movement in cash would need to be of a scale deemed unlikely in the medium-term. The Pension Fund will seek to mitigate these risks through working with employers to understand the potential for any significant membership changes and by monitoring the fund's cashflows. The fund will also provide advice to the Government on the impact of any proposals for change, as well providing clear communication to current scheme members of the on-going benefits of scheme membership and the personal risks to their future financial prospects of opting out at this time.

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

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

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

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

Asset Type	Carrying Amount as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
		1%	-1%
	£'000	£'000	£'000
Cash and Cash Equivalents	6,626	66	-66
Cash Balances	67,039	670	-670
Bonds	435,644	4,357	-4,357
Multi Asset Credit Funds	139,284	1,393	-1,393
Total Change in Assets Available	**648,593**	**6,486**	**-6,486**

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

Currency Risk

Currency risk concerns the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund is exposed to foreign exchange risk on financial instruments that are denominated in currencies other than the Fund's functional currency (£GBP). Risks around foreign currency rates are mitigated in part by allowing the Fund Managers to put in place currency hedging arrangements up to the value of the stock held in a foreign currency (also see note 15c).

The table below shows the impact a 10.0% weakening/strengthening of the pound against the various currencies would have on the assets available to pay benefits.

This analysis assumes that all other variables remain constant.

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

Currency Exposure - Asset Type	Asset Values as at 31 March 2022	Change in Year in the Net Assets Available to Pay Benefits	
		10.00%	-10.00%
	£'000	£'000	£'000
Overseas Equities	10,089	1,009	-1,009
Pooled Global Equities	1,230,190	123,019	-123,019
Pooled Private Equity (LLPs)	151,779	15,178	-15,178
Pooled Property	43,070	4,307	-4,307
Infrastructure	68,016	6,802	-6,802
Cash	6,626	662	-662
Total Change in Assets Available	**1,509,770**	**150,977**	**-150,977**

Other Price Risk

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

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

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

	Value as at 31 March 2023	Percentage Change	Value on Increase	Value on Decrease
Asset Type	**£'000**	**%**	**£'000**	**£'000**
UK Equities	135,423	10.0	148,965	121,881
Pooled UK Equities	497,259	10.0	546,984	447,533
Global Equities	9,676	10.0	10,644	8,708
Diversified Growth Fund	116,201	3.0	119,688	112,716
Pooled Global Equities	1,226,423	10.0	1,349,065	1,103,781
UK Bonds	0	5.0	0	0
Overseas Bonds	0	5.0	0	0
UK Index Linked Bonds	0	5.0	0	0
Pooled Corporate Bonds	127,160	5.0	133,518	120,802
Infrastructure	130,261	5.0	136,774	123,748
Pooled Private Equity (LLPs)	218,892	10.0	240,781	197,003
Pooled Property	276,454	3.0	284,748	268,160
Multi Asset Credit Fund	134,500	5.0	141,225	127,775
Index Linked Pooled Fund	167,642	5.0	176,024	159,260
Private Debt	40,443	5.0	42,465	38,421
Long-Term Investments	840	0.00	840	840
Cash	51,288	0.00	51,288	51,288
Pooled UK Fixed Interest Bonds	15,350	5.0	16,118	14,583
Pooled Overseas Bonds	10,269	5.0	10,782	9,755
Total Assets Available to Pay Benefits	**3,158,081**		**3,409,909**	**2,906,254**

	Value as at 31 March 2022	Percentage Change	Value on Increase	Value on Decrease
Asset Type	**£'000**	**%**	**£'000**	**£'000**
UK Equities	154,024	10.0	169,427	138,621
Pooled UK Equities	486,075	10.0	534,683	437,468
Global Equities	10,089	10.0	11,097	9,079
Diversified Growth Fund	162,007	3.0	166,867	157,147
Pooled Global Equities	1,230,190	10.0	1,353,209	1,107,171
UK Bonds	22,248	5.0	23,360	21,136
Overseas Bonds	18,405	5.0	19,325	17,485
UK Index Linked Bonds	40,281	5.0	42,295	38,267
Pooled Corporate Bonds	152,090	5.0	159,695	144,486
Infrastructure	98,295	5.0	103,210	93,380
Pooled Private Equity (LLPs)	192,661	10.0	211,927	173,395
Pooled Property	272,097	3.0	280,260	263,934
Multi Asset Credit Fund	139,284	5.0	146,249	132,321
Index Linked Pooled Fund	202,619	5.0	212,750	192,488
Private Debt	12,204	5.0	12,814	11,593
Long-Term Investments	840	0.0	840	840
Cash	73,665	0.0	73,665	73,665
Total Assets Available to Pay Benefits	**3,267,074**		**3,521,673**	**3,012,476**

Note 28 - Actuarial Valuation

The contribution rates within the 2022/23 Pension Fund Accounts were determined at the actuarial valuation carried out as at 31 March 2019.
This valuation showed that the required level of contributions to be paid to the Fund by the County Council for the year ended 31 March 2023 was 19.9% of Pensionable Pay. The corresponding rates of contribution that are required from the major participating employers for this period are:

	% Pay	Additional Monetary Amounts £'000
South Oxfordshire District Council	16.3	411
West Oxfordshire District Council	17.6	726
Cherwell District Council	15.9	-
Oxford City Council	16.2	-
Vale of White Horse District Council	16.3	767
Oxford Brookes University	14.8	-

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

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

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

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

The market value of the Fund's assets at the valuation date was £2,515m representing 99% of the Fund's accrued liabilities, allowing for future pay increases. The Actuary has certified contribution rates for all Fund employers from 1 April 2020 which, subject to the financial assumptions contained in the valuation, would result in the deficit being recovered over a period of no more than 20 years.
The main financial assumptions were as follows:

Assumptions for the 2019 Valuation	Annual Rate %
Pension Increases	2.3
Salary Increases	2.3
Discount Rate	4.3

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

Oxfordshire County Council Pension Fund ("the Fund") Actuarial Statement for 2022/23

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

Description of Funding Policy

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

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

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

- where appropriate, ensure stable employer contribution rates

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

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

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

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

Funding Position as at the last formal funding valuation

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

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

Principal Actuarial Assumptions and Method used to value the liabilities

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

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

Assumptions
A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.
The key financial assumptions adopted for the 2022 valuation were as follows:

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

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

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

*Aged 45 at the 2022 Valuation.

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

Experience over the period since 31 March 2022

Markets continued to be disrupted by the ongoing war in Ukraine and inflationary pressures, impacting on investment returns achieved by the Fund's assets. High levels of inflation in the UK (compared to recent experience), have resulted in a higher than expected LGPS benefit increase of 10.1% in April 2023. Despite this, the funding level of the Fund is likely to be higher than reported at the 31 March 2022 funding valuation due to the significant rise in interest rates which reduces the value placed on the Fund's liabilities.

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

Tom Hoare FFA
For and on behalf of Hymans Robertson LLP
07 July 2023

SUMMARY OF BENEFITS AT MARCH 2023

Introduction

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

• Employers' Discretion

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

• Retirement

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

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

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

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

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

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

• Benefits

A retirement benefit, whether payable immediately or deferred, consists of an annual retirement pension and lump sum retirement grant for membership to 31 March 2008 and an annual retirement pension on membership from April 2008 (see below). However there is an option for members to convert pension to lump sum retirement grant. The minimum period of membership to qualify for retirement benefits is 2 years. The standard pension calculation, for membership to 31 March 2008, is 1/80 of final years' pensionable pay for each year of membership and the retirement grant is 3/80 of final year's pensionable pay for each year of membership. From 1 April 2008 to 31 March 2014 the standard calculation is 1/60 of final years' pensionable pay for each year of membership. From April 2014 the standard calculation is pay x 1/49 for the year with annual pension revaluation. NB Where members choose to pay into the 50/50 section of the scheme their accrual for that period will be pay x 1/98 and not 1/49 as shown.

Example - retirement in 2020

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

Annual Pension

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

5 years x 1/60 x £15,000 = **£1,250**

£15,000 x 6/49 = **£1,836.73**

Retirement Grant

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

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

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

• Liability to pay future benefits

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

• Increasing Benefits

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

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

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

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

Members may also make their own arrangements using a stakeholder pension or an FSAVC.

• Death

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

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

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

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

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

INVESTMENT STRATEGY STATEMENT

The Pension Fund's Investment Statement in effect at 31 March 2023 is available at the following link: Investment Strategy Statement (oxfordshire.gov.uk).

The Pension Fund's Climate Change Policy, which forms an annex to the Investment Strategy Statement, in effect at 31 March 2023 is available at the following link: OCCPF Climate Change Policy (oxfordshire.gov.uk).

GOVERNANCE POLICY STATEMENT

The Pension Fund's Governance Policy Statement in effect at 31 March 2023 is available at the following link: Oxfordshire Pension Fund

FUNDING STRATEGY STATEMENT

The Pension Fund's Funding Strategy Statement in effect at 31 March 2023 is available at the following link: FundingStrategyStatement.pdf (oxfordshire.gov.uk).

COMMUNICATIONS POLICY STATEMENT

The Pension Fund's Communications Policy Statement in effect at 31 March 2023 is available at the following link: [Communication Policy (oxfordshire.gov.uk)]

COMMUNICATION

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

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

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

USEFUL CONTACTS AND ADDRESSES

BENEFIT ADMINISTRATION

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

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

ACCOUNTS AND INVESTMENTS

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

email:
pension.investments@oxfordshire.gov.uk

BENEFICIARIES REPRESENTATIVE

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

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

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

Telephone: 01865 323854
Email: sally.fox@oxfordshire.gov.uk

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

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

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

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