

PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 6 June 2025 commencing at 10.15 am and finishing at 1.05 pm

Present:

Voting Members: Councillor Peter Stevens – in the Chair

Councillor Nick Cotter (Deputy Chairman)
Councillor Andrew Crichton
Councillor David Henwood
Councillor Dan Levy
Councillor Leigh Rawlins

Non-Voting Members: Steve Moran, Pension Scheme Member (non-voting)

By Invitation: John Arthur, Independent Financial Advisor
Bethan Jones, Brunel Partnership
Tim Dickson, Brunel Partnership

Local Pension Board Members Alistair Bastin
Janet Wheeler

Officers: Lorna Baxter (Executive Director for Resources and Section 151 Officer), Mark Smith (Pension Service Manager), Vicki Green (Pension Services Administration Manager), Greg Ley (Pension Fund Investment Manager), Josh Brewer (Responsible Investment Manager), Anna Lloyd (Governance & Communications Officer), Lucy Brown (Senior Democratic Services Officer)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting, together with [a schedule of addenda tabled at the meeting][the following additional documents:] and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports [agenda, reports and schedule/additional documents], copies of which are attached to the signed Minutes.

16/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Apologies were received from Councillor Nick Field-Johnson and Mukhtar Master, Governance and Communications Manager.

17/25 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

None received.

18/25 NOMINATION OF BRUNEL OVERSIGHT BOARD REPRESENTATIVE

(Agenda No. 3)

On being nominated by Councillor Stevens, and seconded by Councillor Levy, Councillor Cotter was elected as representative to the Brunel Oversight Board.

19/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

Andrew Finney, Committee member of Fossil Free Oxfordshire addressed the meeting on Item 19: LGPS Pooling Reform, a copy of which is attached to these minutes.

Jessica Fellows addressed the meeting on Item 15: Corporate Governance and Socially Responsible Investment. She raised queries regarding what steps the Committee were taking to avoid investments in companies implicated in violations of International Law. In particular, she highlighted the steps taken by Oxford City Council in passing a motion on 'Strengthening Ethical Procurement and Investment Policies to Reaffirm Oxford City Council's Commitment to Human Rights and International Law' at its Council meeting on 24 March 2025. She asked that, as a resident of Oxfordshire, the Pension Fund Committee act with upmost urgency to end complicity and protect the fundamental rights and freedoms on which we all depend.

The Chair of the Committee thanked both speakers for their addresses and advised that their accounts would be taken into account when discussing the relevant items on the agenda and if the Committee felt a response was required, this would be sent directly to the addressee following the meeting.

20/25 MINUTES OF THE PENSION FUND COMMITTEE

(Agenda No. 5)

The minutes of the meetings held on 7 March 2025 and 20 May 2025 were agreed as a correct record of the meeting.

21/25 MINUTES OF THE LOCAL PENSION BOARD

(Agenda No. 6)

The Committee **RESOLVED** to note the unconfirmed minutes of the Local Pension Board which had met on 25 April 2025.

22/25 REPORT OF THE LOCAL PENSION BOARD

(Agenda No. 7)

Alistair Bastin, Local Pension Board Member introduced the report which set out the items the Local Pension Board wished to draw to the attention of the Committee following their last meeting. He introduced the members of the Local Pension Board and explained the functions of the Board. He advised that the Board considered the reports presented to the previous Committee meeting, which included standard items; the review of the Annual Business Plan, the Governance and Communications report, the Risk Register and the Administration Report. In addition, the Board also reviewed a report on the Strategic Asset Allocation, including active vs passive investment management as requested by the Board.

He highlighted that in Risk Register report, Risk 18: Failure to Meet Government Requirements on Pooling, should be upgraded to a red rag rating so that it could be discussed in further detail at the next meeting. He also requested that the Committee consider the level of fees, charges and transaction costs when considering the level of investment and associated fees when reviewing the Strategic Asset Allocation.

The Committee **RESOLVED** to note the report.

23/25 REVIEW OF THE ANNUAL BUSINESS PLAN 2025/6

(Agenda No. 8)

Mark Smith, Head of Pension Fund presented the report of the Executive Director of Resources and Section 151 Officer which reviewed progress against the key priorities set out in the Annual Business Plan for the Pension Fund for 2025/26. He advised that the key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2025/26 remained consistent with those agreed for previous years, with one slight update to reflect the Fund's improved funding position.

In response to a query raised by the Committee regarding the minimum amount of employee contributions paid to the Fund, Mark Smith advised that there is no minimum amount payable and is calculated by the Actuary over three years and is also dependent on the age profile and demographics of their workforce.

In response to a question regarding the terminology of 'written in plain English' within the information provided through McCloud, Mark Smith advised that he would recheck this terminology and respond at a later date to the Committee.

The Committee RESOLVED to:

- i) Review the progress against each of the key service priorities as set out in the report; and**
- ii) Agree any further actions to be taken to address those areas not currently on target to deliver the required objectives.**

24/25 RISK REGISTER

(Agenda No. 9)

Anna Lloyd, Governance and Communications Officer presented the report of the Executive Director of Resources and Section 151 Officer which presented the latest

position on the Fund's risk register, including any new risks identified since the report to the last meeting.

She highlighted that the Governance and Communication Manager had met with Fund Officers and the Independent Financial Adviser following the recommendation of the Local Pension Board that Risk 18: Failure to meet Government Requirements on Pooling be upgraded to a red rag rating, however following discussions it was agreed that this risk would be upgraded to Amber and the details were included within the report.

It was noted that at the time of writing the report there were no other new known emerging risks to assess and mitigate, however since the report was written, the government had issued a response to the Fit for Future Consultation which was currently being reviewed by fund officers.

In response to a question regarding the protection of employee details held within the fund from cyber-attack, Anna Lloyd advised that officers have quarterly meetings with the Cyber Security Team and also complete an annual cycle of third-party supplier requests for cyber security information on their systems. Mark Smith, Head of Pensions also highlighted that there was an ongoing piece of work regarding this risk and as it uses Council systems, is also included as a risk on the Strategic Risk Register monitored by the Council.

In response to queries regarding Risk 15: Insufficient Skills and Knowledge amongst officers, and issues with recruiting officers to the Fund, Mark Smith advised that there was a national challenge around recruitment and retention of staff that is affecting every Fund. Officers are looking at training in-house and resourcing opportunities to create career pathways, a number of additional roles have been created but will continue to recruit to Administrator and Senior Administrator level. On further questioning to how the Council was evaluated against other Funds, especially those within the private sector, Mark Smith advised that he would investigate this further and report back to the Committee.

The Committee was RESOLVED to note the latest risk register and accept that the risk register covers all key risks to the achievement of their statutory responsibilities, and that the mitigation plans, where required, are appropriate.

25/25 GOVERNANCE AND COMMUNICATIONS REPORT

(Agenda No. 10)

Anna Lloyd, Governance and Communications Officer presented the report of the Executive Director of Resources and Section 151 Officer which covered the key governance and communication issues for the Fund, including a report on any breaches of regulation in the last quarter.

She provided an update on the Pension Regulator's General Code of Practice, which reported that there was a requirement to complete all of the 51 modules by March 2025 to be compliant. It was reported that only one module remained outstanding and the detail of this was included within Appendix 1 to the report.

An increase in Code of Practice breaches was recorded, and further information on the particular employers involved was reported to the Committee who were advised that the Employer Team had worked with these employers to ensure that the issues were resolved, and that data and contributions were submitted as required.

On request of the Committee, Anna Lloyd provided further contextual information to the data breach that had occurred in Q4.

The Committee was RESOLVED to:

- i) Note the Fund's update on the Pension Regulator's General Code of Practice.**
- ii) Note the latest quarter's breaches for the fund.**
- iii) Note the communications update.**

26/25 GOVERNANCE AND COMMUNICATIONS POLICY REVIEWS

(Agenda No. 11)

Anna Lloyd, Governance and Communications Officer presented the report of the Executive Director of Resources and Section 151 Officer which requested approval of the following policies:

- Communications Policy
- Governance Policy
- Governance Compliance Statement
- Breaches Policy

Anna Lloyd provided further context to the changes within the individual policies, and members of the team responded to any questions raised.

The Committee was RESOLVED to:

- i) Approve the revised Communications Policy.**
- ii) Approve the revised Governance Policy.**
- iii) Approve the revised Governance Compliance Statement.**
- iv) Approve the revised Breaches Policy.**

27/25 ADMINISTRATION REPORT

(Agenda No. 12)

Vicki Green, Pension Services Manager presented the report of the Executive Director of Resources and Section 151 Officer which updated the Committee on the key administrative issues including service performance measurement, the debt recovery process and any write offs agreed in the last quarter.

Vicki Green provided an update on the current vacancies being carried by the team and advised that recruitment on all the existing vacancies would be carried out again and an update provided to the next Committee meeting. Mark Smith, Head of Pensions advised the Committee that a regular amount of turnover was expected due to the size of the team, however the time taken to recruit and train new members was

the main challenge experienced. It was hoped that the internal training programme would facilitate career progression within the team to plug those gaps.

In response to a question from the Committee, Vicki Green assured Members that diligent checks were in place to ensure that any transfers out of the scheme to those not in Local Authorities are carried out, and the vigorous procedures in place would highlight any anomalies.

The Committee was RESOLVED to note the amendments made to the quarterly performance statistics and member self-service statistics to provide comparison against the previous quarters throughout the last year.

28/25 ADMINISTRATION POLICY REVIEW

(Agenda No. 13)

The report of the Executive Director of Resources and Section 151 Officer which updated changes to the following policies was presented to the Committee:

- Data Retention Policy
- Privacy Notice

There were no queries raised from the Committee.

The Committee was RESOLVED to approve the Data Retention Policy and Privacy Notice.

29/25 REPORT OF THE INDEPENDENT FINANCIAL ADVISOR

(Agenda No. 14)

John Arthur, Independent Financial Advisor presented the report which provided an overview of the financial markets, the overall performance of the Fund's investments against the Investment Strategy Statement and commentary on any issues related to the specific investment portfolios. The report included the quarterly investment performance monitoring report from Brunel.

He commented on the effect on the volatile investment environment of the newly elected US President and advised that the US Dollar had weakened against all major currencies which lowered the return of US assets to a Sterling based investor. He provided advice on the Pooling decision that would be required of the new Committee, advising that whilst it had been moving in the right direction since its implementation in 2017, any benefits in cost or public market manager selection had not been seen as yet.

In response to a question raised by the Committee regarding the recommendation of investment in cash-based investments, Greg Ley, Pension Fund Investment Manager advised that following review, a decision was made to invest in cash-based investments via the Council's Treasury Management scheme.

Following a discussion regarding the use of Crypto as an investment, John Arthur advised that he felt that the risk of criminality would be a restrictive factor in investment opportunities.

The Committee noted the report.

30/25 CORPORATE GOVERNANCE AND SOCIALLY RESPONSIBLE INVESTMENT

(Agenda No. 15)

Josh Brewer, Responsible Investment Officer provided a verbal report to the Committee which focused on areas of activity within the last quarter. He highlighted the Responsible Investment and Climate Change Committee which focused on more detailed reporting from Brunel, not always possible within the time constraints of the Committee. He invited members of the Committee to join this sub-committee, and Councillors Levy and Crichton agreed to join the Committee.

He highlighted the issues raised with investment with oil and gas companies and advised the Committee that they continue to monitor these companies to ensure they are held to account to the commitments they have made with their strategic projection to net zero.

The Committee thanked the Officer for his presentation and noted the comments made.

31/25 FIREFIGHTERS' PENSION SCHEME APPEALS COMMITTEE

(Agenda No. 16)

The Committee had before it the report of the Executive Director of Resources and Section 151 Officer which presented a review of the Terms of Reference of the Fire Appeals Committee.

There were no questions raised.

The Committee RESOLVED to approve the Firefighters' Pension Scheme Appeal Committee Terms of Reference.

Following this item, the Committee adjourned for a 10-minute break.

32/25 EXEMPT ITEMS

(Agenda No. 17)

The Committee RESOLVED that the public be excluded for the duration of Items 18, 19, 20 and 21 on the Agenda since it was likely that if they were present during those items there would be disclosure of exempt information as defined in Part 1 of Schedule 12A of Page 10 the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it was considered that, in all circumstances of each case, the public interest in maintaining the exemption outweighed the public interest in disclosing that information

33/25 INVESTMENT UPDATE FROM BRUNEL

(Agenda No. 18)

The Committee received an investment update from representatives of the Brunel Partnership and discussed this item in private session.

34/25 LGPS POOLING REFORM

(Agenda No. 19)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which covered the recently proposed reforms to pooling proposed by central government.

The Committee discussed the various options presented by the Fund Officers to explore options that would seek to achieve the best outcome for both scheme members and employers in private session.

The Committee RESOLVED to:

- i) Note the receipt of the invitation received jointly from the Minister of State for Housing, Communities and Local Government and the Minister for Pensions on 9 April 2025 see Appendix 1; and**
- ii) Endorse the approach taken by Fund officers in developing the options available, to enable a decision to be reached in September 2025 Pension Fund Committee.**

35/25 AFFORDABLE HOUSING

(Agenda No. 20)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which provided an update on the Affordable Housing project.

The Committee discussed the item in private session.

The Committee RESOLVED to agree the recommendations as presented within the report.

36/25 2025 VALUATION - UPDATE

(Agenda No. 21)

The Committee received a report from the Executive Director of Resources and Section 151 Officer which provided the Committee with an update on the progress of the 2025 fund valuation.

The Committee discussed the item in private session.

The Committee RESOLVED to:

- i) Review the progress as set out in the report; and**
- ii) Note the assumptions adopted by the Fund for the 2025 Valuation.**

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..... in the Chair

Date of signing