

# **PENSION FUND COMMITTEE**

**6 March 2026**

## **ANNUAL BUSINESS PLAN AND BUDGET 2026/27**

**Report by the Deputy Chief Executive (Section 151 Officer)**

### **RECOMMENDATION**

**1. The Committee is RECOMMENDED to:**

- i) Note the progress against the service priorities for 2025/26; and**
- ii) Approve the Business Plan, Budget, Training Plan and Cash Management Strategy for 2026/27; and**
- iii) To confirm the appointment of the LGPS Central Shareholder representative as the Head of the Pension Fund role.**

### **Executive Summary**

2. This report provides the Pension Fund Committee with an update on progress against the 2025/26 Service Plan and sets out the proposed Business Plan, Budget, Training Plan and Cash Management Strategy for 2026/27.
3. Overall, the Fund has made strong progress across its key priority areas during 2025/26. Governance arrangements have continued to strengthen, with significant advancement on General Code of Practice compliance and a positive independent review. Operational performance has remained robust, with high data quality scores, strong delivery against administration KPIs, and improvements in customer satisfaction. Areas marked amber—such as McCloud implementation and employer engagement—reflect the complexity and scale of activity rather than lack of progress and are addressed within the 2026/27 Plan.
4. Investment and funding work has progressed well, including completion of the 2025 valuation, enhanced cashflow modelling, and recommendations for updated strategic asset allocation. The Fund also responded to extensive Government consultations during the year and continues to prepare for major regulatory and structural changes, including Access and Fairness reforms and transition from Brunel to LGPS Central.
5. The 2026/27 Business Plan reflects four overarching priorities: improving governance, enhancing operational effectiveness, developing investment and funding capabilities, and delivering technology-driven service improvements. These priorities recognise the continuing fast-paced change across the LGPS and the increasing demands on Fund resources.
6. The proposed 2026/27 budget of £31.2m represents a 16.6% increase from 2025/26, driven largely by investment management costs associated with the growth in Fund assets and pooled investment transition, alongside planned staffing enhancements to meet future workloads and organisational redesign outcomes.

## **Purpose**

7. The purpose of the report is to review the progress against the key service priorities set in the business plan for the Pension Fund for 2025/26.
8. The report also sets out the proposed business plan, budget, training plan and cash management strategy for the Pension Fund for 2026/27. It follows on from the workshop held on 9 February 2026, to which all members of the Committee and the Local Pension Board were invited. The Plan sets out the key priorities for the Fund as agreed at the workshop, details the key service activities for the year, and includes the proposed budget and cash management strategy for the service.

## **Introduction**

9. The key objectives for the Oxfordshire Pension Fund as set out in the Business Plan for 2026/27 (annex 1) and remain consistent with those agreed for previous years.
10. The overall objectives are summarised as:
  - To fulfil our fiduciary duty to all key stakeholders
  - To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
  - To maintain a funding level above 100% (LGPS only)
  - To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
  - To maintain as near stable and affordable employer contribution rates as possible
11. Part A of the plan sets out the broad service activity undertaken by the Fund. These are unchanged from previous years. The service priorities for the forthcoming financial year are then set out in more detail in Part B. These priorities for the most part, do not include the business as usual activity which will continue alongside the activities included in Part B.

## **Key Service Priorities – Review of 2025/26**

5. There were 4 key service priorities included in the 2025/26 Plan each with a number of key measures of success. The latest position on each is set out in the paragraphs below. The assessment criteria for each measure of success is as follows:
  - Green – measures of success met, or on target to be met
  - Amber – progress made, but further actions required to ensure measures of success delivered
  - Red – insufficient progress or insufficient actions identified to deliver measures of success

6. Deliver further improvements to the governance arrangements of the Fund. The position against the 5 agreed measures of success are set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions/Next Steps
<p>Continue to develop and implement the <b>Workforce Strategy AMBER</b></p>	<p>Complete the review of staffing needs</p> <p>Complete the identification of gaps in resource and skills</p> <p>Career pathways defined to support retention (to be completed in line with other OCC service areas during 2025)</p> <p>LGPS Academy rolled out across the team</p>	<p>The Fund took part in the Hymans Salary Survey</p> <p>External benchmarking undertaken with Aon</p> <p>LGA training and qualifications rolled out</p> <p>Gaps in resource identified, workloads redistributed and new roles created</p> <p>Pension Support Officer roles expanded to support whole Fund and support growing our own talent in-house</p> <p>More team in-person events to support wider team engagement</p>	<p>Updated priority included in 2026/27 business plan</p> <p>OCC organisational redesign</p> <p>Implement phase 1 outcomes from Aon work</p> <p>Phase 2 (Fund Structure review) and phase 3 (Employee Value Proposition)</p>
<p>Continue to work on <b>General Code</b> compliance and provide external scrutiny/review. <b>GREEN</b></p>	<p>Review of GCOP compliance completed by officers end of March 2025</p> <p>Independent review completed by end of summer 2025</p> <p>Reviews demonstrate Fund is meeting Regulatory Requirements and TPR expectations</p>	<p>Review of key modules completed</p> <p>Independent review completed on key modules, outcome confirmed we are in a good position regarding GCOP compliance</p> <p>Final modules of tranche where the Fund likely already met the GCOP in full, currently being</p>	<p>Updated priority included in 2026/27 business plan</p> <p>Complete last few modules to review and then undertake independent review to test compliance against GCOP and report results to Committee/Board</p>

		finalised before independent review	
Monitor, review and implement <b>Good Governance Review</b> outcomes once known GREEN	Governance review complete and plan in place to implement recommended changes (dates to be confirmed once Government confirms outcomes)	Draft regulations and draft guidance published.  Many of the recommendations have already been implemented, however some work around independent committee member (non-voting) and appointment of the Senior LGPS Officer needs to be formally completed	Updated priority included in 2026/27 business plan  Implement remaining items on the Good Governance Review and report updates to Committee/Board
<b>National Knowledge Assessment (NKA)</b> and Knowledge and Understanding GREEN	All Committee and Board members complete TPR Toolkit  Maintain NKA score from previous year  All Committee and Board members enrolled on LOLA and complete 50% of modules	Focus has been on induction and initial training during 2025 to recognise the turnover in Committee  Additional training sessions in-person and online have also been held to support Committee and Board knowledge and understanding	Updated priority included in 2026/27 business plan  Take part in the NKA autumn 2026  Continue with formal training plan for Committee/Board
<b>Local Government Reform</b> - tracking and responding to potential risks and resource implications GREEN	Respond effectively to Government consultations  Keep Committee and Board regularly consulted and updated  Identify stakeholders impacted and track any associated risks through risk register	Currently Fund officers are taking part in the pre-transition stage planning and considering the implications for the Fund	Updated priority included in 2026/27 business plan

7. Out of the 5 measures of success under this objective, 4 have been rated green. This is largely due to the significant progress made on the General Code of Practice (GCOP) and independent review, which included a positive report indicating the Fund is well positioned in compliance with the GCOP. Whilst work continues on the final modules we expect this to be completed in 2026, which puts us in a good position with the upcoming Independent Governance Review (IGR) as outlined in the Fit for the Future consultation and draft guidance. The IGR needs to be completed by 2028.
8. The National Knowledge Assessment (NKA) has been marked as green based on the results of the previous Committee members, the next NKA will be held in the autumn 2026 and will be an opportunity to reset the baseline for our new Committee. More information can be found in the Fund's Training Plan 2026/27 (Annex 2).
9. The Workforce Strategy action has been assessed as amber, this remains a critical area of work in order for the Fund to meet the future challenges, such as Fit for the Future, Access and Fairness and Access and Protections. There is a report later in the agenda covering this area.

### Local Government Reform

10. At the meeting of the Local Pension Board on 23 January 2026 it was requested that a regular update be provided as part of the Business Plan update each quarter, as such LGR will be included as a standing item in this report going forward. This recognises Committee and Board will need to consider the impact of LGR on the Fund. Fund officers are involved in the planning of the pre-transition work across all councils. Officers expect to bring a paper to June 2026 Committee for review on possible options regarding how the Fund could be structured in the future.
11. Deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes. There were also 6 specific measures of success set out in the 2025/26 Business Plan in respect of this priority. The progress against these is set out in the table below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions/Next Steps
Implement <b>McCloud</b> (data and IT requirements) AMBER	<p>Process in place to confirm calculations carried out correctly and within SLA timeframes</p> <p>Issue all Annual Benefit Statements containing McCloud information with Plain English</p>	<p>Further details on the current position of the McCloud implementation are included in the administration report. whilst challenges around complexity and resource remain, significant work was completed by officers during 25/26</p>	<p>Updated priority included in 2026/27 business plan</p>

	explanation by 31 August 2025		
<b>Monitor and improve Common Data scores</b> GREEN	Maintain data score at 95%  Aim to exceed 95% and increase to 98%	LGPS Common Data is 94.6% and Scheme Specific Data is 99.13%	Updated priority included in 2026/27 business plan
<b>Employer Engagement/Client Relationship</b> (including escalation process/fines) AMBER	Contributions reconciled monthly  Member data reconciled monthly  Late data and/or contributions pursued within 1 week - large employers, smaller employers within 2 weeks  Employer survey introduced  Develop Employer Services team  Improve employer knowledge and understanding of responsibilities through provision of a user guide  Review and update of all Fund provided employer policies/processes and procedures completed	Contributions are reconciled monthly along with member data  Employers are chased where data or contributions are late and this is reported in the administration report  Employers receive surveys to assist in ensuring the Fund is providing the correct level of support  Training sessions have been run through 25/26 for employers and have been well received. The in-person employer forum on the 14 January 2026 received overwhelmingly positive feedback	Updated priority included in 2026/27 business plan  More work is required around processes, policy documents and team structure
<b>Customer Satisfaction -</b> (Compliments/complaints/feedback) [Employer and Member] GREEN	Improve scores from member surveys  Reduce number of upheld complaints from members  Improve scores from employer surveys	Customer satisfaction scores will be included as part of the annual administration update to Committee/Board	Updated priority included in 2026/27 business plan

<b>Day to Day delivery of BAU activities</b> <b>GREEN</b>	Administration SLAs – <ul style="list-style-type: none"> <li>▪ Call to helpdesk answered within 40 seconds</li> <li>▪ Deaths processed in 10 days</li> </ul> Reported KPI's all above 80%	Details on day-to-day administration is including in the administration report later in the agenda	N/A
<b>Implement Government tax changes.</b> <b>GREEN</b>	Full process map developed, reviewed and implemented	Government tax changes are progressing for implementation in coming years, no action required currently	This will be picked up under other items in the 2026/27 business plan as part of the various other changes from Government

12. Out of 6 measures of success, 4 are rated as green, due to positive data quality scores under the measure of common and specific data, 94.6% and 99.13% respectively. Other green areas cover where we were awaiting details on future changes, such as tax changes, which was originally added as a priority when there was speculation about the depth and impact of potential tax changes, much of the changes are now for future years and will be picked up under general changes in many areas.

13. We have rated amber the McCloud measure of success; this is largely due to last minute changes in guidance on the calculation to be included in Annual Benefit Statements for Fire Fighter pensions. Also the general complexity and time required to work through cases causes additional risk in ensuring we have sufficient resources to process these cases in a timely fashion.

14. The employer engagement/client relationship model remains as amber reflecting progress has been made, however there continues to be significant work in this area to move to the structure we need in order to provide an improved level of support to our employers.

15. Develop further the Fund's Investment and Funding service: There were 6 actions set for this service priority within the Business Plan, and progress against these measures is set out below.

Actions	Measure of Success	Key Progress Achieved	Outstanding Actions/Next Steps
<b>Deliver the 2025 Valuation</b> GREEN	<p>Data provided to Actuary by requested date</p> <p>Less than 5% data quality queried by Actuary (actual % will be reported to Committee/Board)</p> <p>Maintain stability of costs i.e. employer contributions</p> <p>Achieve consensus around valuation assumptions with Committee by end of June 2025</p>	<p>The majority of 2025 valuation is now complete, with the final sign off of key documents and the employer rates and provided later in the agenda</p>	<p>Updated priority included in 2026/27 business plan</p> <p>Planning for the 2028 valuation</p> <p>Develop employer covenant monitoring</p> <p>Actuarial procurement</p> <p>Review and finalise any remaining loose ends/clarifications around policies</p> <p>Incorporate Gender Pensions Gap requirements into future planning</p>
<b>Cashflow modelling</b> - Committee to see more information on how the Fund handle cashflow GREEN	<p>Cashflow modelling policy introduced in 25/26 - with regular reporting, built into existing report</p>	<p>Updated cashflow forecast provided by the actuary, new cash flow negative position expected during 2027</p>	<p>Updated priority included in 2026/27 business plan</p>
<b>Strategic Asset Allocation SAA</b> (subject to consultation) GREEN	<p>Asset Allocation decided with scope for swift response to developing risk and opportunity, March 2026</p> <p>Consultation with key stakeholders</p>	<p>Review and analysis provided by Apex</p> <p>Reviewed by officers and Independent Investment Adviser (LGPS Central included in the process ahead of 1 April changes)</p> <p>Committee/Board workshop took place</p> <p>Recommendation for updated SAA included later in this agenda</p>	<p>Updated priority included in 2026/27 business plan</p>
<b>Implement Government Policy</b> AMBER	<p>Response issued to relevant consultations</p>	<p>Significant consultations have been run through 2025/26 and the</p>	<p>Updated priority included in 2026/27 business plan, including</p>

	Take leading role through SPOG/PLSA and other cross industry groups in responding to consultations  New Regulations complied with ahead of deadline (where practically possible)	Fund has responded to all of these with copies shared with Committee/Board  Planning and implementation where possible is underway with regular reports to Committee/Board	Access and Fairness/Protections
<b>Responsible Investment Policy development GREEN</b>	Leading/recognised accreditation scores within Stewardship Code	Reaccreditation achieved to the UK Stewardship Code	Updated priority included in 2026/27 business plan
<b>Value for Money analysis GREEN</b>	Ensure analysis is completed (active vs. passive) and next steps agreed  Cost transparency reviewed	The LGPS Central move will make this even more important in future years to hold the pool company to account ensuring we are achieving the best value for scheme members and employers	Updated priority included in 2026/27 business plan

16. Out of 5 measures of success 4 are rated green, largely due to work progressing well on the 2025 valuation, cashflow modelling and producing the revised Strategic Asset Allocation will naturally align as part of the valuation work during 2025/26.

17. Implement Government policy is rated as amber, largely due to the challenging timescales implementing the transition from Brunel to LGPS Central at the same time as implementing the Fit for the Future changes and also the Access and Fairness changes.

### **Access and Fairness Update**

18. The Government plans to phase in the changes proposed in the consultation. Phase one changes will be introduced in April 2026, and phase two later in the year. The expectation is that a statutory instrument implementing the phase one changes will be released at the start of March 2026 and take effect from 1 April 2026.

19. The statutory guidance that will accompany the legislation is expected to be published sometime in April. Phase one changes expect to include:

## **20. Survivor benefits and death grants**

- a. Equalising survivor benefits – backdated to 5 December 2005
- b. Removing the age 75 limit for death grant eligibility – backdated to 1 April 2014
- c. Removing the requirement for a death grant to be paid to the personal representatives where it is not paid within the two-year period
- d. Removing the requirement to nominate a cohabiting partner in the 2008 Scheme
- e. Inserting a requirement that a child's short-term pension, paid under the 1995 and 1997 Regulations, must cease if that child is no longer an eligible child

## **21. Gender pensions gap benefits**

- a. Making authorised absences of less than 15 days automatically pensionable
- b. Aligning the cost of buying back lost pension for authorised absences of over 14 days with the standard member contribution rates
- c. Extending the time limit for electing to buy back lost pension from 30 days to 12 months, provided the member is in the same employment
- d. Allowing an employer to pay their share of contributions relating to an unpaid period of more than three years
- e. Updating the definition of child-related leave to include all periods of additional maternity, adoption and shared parental leave without pay

## **22. McCloud remedy**

- a. Correcting regulations with backdated effect from 1 October 2023 to ensure the McCloud remedy works as expected in relation to:
  - i. Recalculating pension debits
  - ii. Deaths on 30 September 2023
  - iii. Transfers from other public service pension schemes with underpin protection for joiners after age 65
  - iv. Interest on Club top-up transfers
  - v. Interest on direct compensation

## **23. Abolition of LTA changes**

- a. Amending the definition of a Benefit Crystallisation Event (BCE)
- b. Introducing the long-term approach to the maximum pension commencement excess lump sum (PCELS)
- c. It is expected that the new PCELS limit will apply to all PCELS paid after 31 March 2026

## **24. 5-year refunds**

- a. Removing the requirement to automatically pay refunds at the end of five years.

25. The Access and Fairness changes in phase one, clearly represent a significant challenge when guidance on implementation is received after the go live date. Fund officers will work closely with our system provider to minimise any disruption to services caused by these changes and will keep Committee and Board updated as to progress.

### **Fit for the Future – Investment Pooling**

26. The work towards transition of the Funds £4 billion in assets to LGPS Central continues at pace and further information will be reported by LGPS Central during the exempt session later in the agenda.

### **LGPS Central Shareholder**

27. At Pension Fund Committee on 12 December 2025, Committee approved a number of delegations to enable the Section 151 Officer to sign appropriate documents to enable and support a smooth transition to LGPS Central. This was in recognition that Government timescales for compliance of 31 March 2026, did not align with the Committee cycle and thereby made it difficult to meet the deadlines under the existing delegations.

28. Under point (c) the Committee approved:

*(c) To make any necessary appointments required such as Shareholder Representative to LGPS Central;*

29. Given the Committee timetable and the need to maintain democratic oversight, this recommendation is being presented to the Pension Fund Committee. The Section 151 Officer supports the proposal that the Head of Pension Fund be appointed as the Shareholder Representative for LGPS Central.

30. The role of the Shareholder can be broadly defined below:

- a. The shareholder's role is to support the development of the company and hold it to account, ensuring the company delivers what it was set up to do and meets the objectives set by the shareholders.
- b. Shareholders must ensure the company has the resources to deliver its services and meet regulatory obligations
- c. The distinction is important to note between the shareholder role (which is ensuring resources are in place and the structure of the pool functions effectively) and the client role (which is ensuring value for money and appropriate delivery of services).

31. Oversight, challenge, and ensuring the company is appropriately resourced are the key shareholder functions.

32. LGPS Central will have 15 shareholders, one representing each Fund.

33. This recommendation is also in line with the recent draft guidance from the Ministry of Housing, Communities and Local Government (MHCLG) stating that the Senior LGPS Officer should participate *‘in the governance structures of the investment*

*pool as shareholder or client representative*. Noting the Senior LGPS Officer cannot be the S151 Officer and must be someone responsible for all aspects of managing the LGPS within the Administering Authority and not have any other significant roles outside of this within the Administering Authority.

34. The Committee is recommended to confirm that the Head of Pension Fund should be appointed to serve as the Shareholder Representative for LGPS Central.

35. Deliver service enhancements and cost reductions through increased use of technology. There were 5 actions set for this service priority within the Business Plan, and progress against these measures is set out below.

<b>Actions</b>	<b>Measure of Success</b>	<b>Key Progress Achieved</b>	<b>Outstanding Actions/Next Steps</b>
<b>Website development and launch</b> GREEN	<p>Website domain and host agreed by mid-2025</p> <p>New website launched by end of the scheme year (March 2026)</p> <p>Overwhelmingly positive feedback from users</p> <p>Accessible requirements completed - WCAG 2.2 requirements, useable on all devices (mobile, computer etc)</p>	<p>Website developed, designed and reviewed</p> <p>Currently the content of the pages is under review ahead of the new website launching in the coming months</p>	Updated priority included in 2026/27 business plan
<b>Implement Pensions Dashboard</b> GREEN	<p>ISP contract in place – by March 2025</p> <p>Connected to ecosystem by mid-October 2025 for both pension benefits and Additional Voluntary Contributions (AVCs)</p> <p>Report updates to Committee/Board and provide information on how successful connection has been</p>	<p>Connected to dashboard in line with regulatory requirements during 25/26</p>	<p>Updated priority included in 2026/27 business plan</p> <p>Finalise AVCs for dashboard</p>

<p>Development of <b>iConnect</b> - continue to utilise further improvements to the service <b>GREEN</b></p>	<p>Patches implemented on release day</p> <p>Regular engagement with Heywoods maintained to understand upcoming improvements and how to utilise them</p> <p>Training delivered to relevant officers</p>	<p>Training, support and updates are ongoing</p>	<p>Updated priority included in 2026/27 business plan</p>
<p>Ensure all technology used is <b>compatible with Windows 11</b> <b>GREEN</b></p>	<p>Engage support of host authority IT Team</p> <p>Complete review of all devices and software</p> <p>Replace those not compatible with Windows 11 by 30 September 2025</p>	<p>Completed</p>	<p>N/A</p>
<p><b>Other developments</b> – MSS, address checker, electronic pension payslips, EA2P, bank account verification <b>GREEN</b></p>	<p>MSS development implemented</p> <p>Increased members uptake and online activity</p> <p>Positive user feedback in surveys received</p>	<p>MSS launched early 2026</p> <p>Currently too early to gauge scheme member feedback</p>	<p>Updated priority included in 2026/27 business plan</p>

36. Out of 5 actions all are rated green, largely due to work progressing in these areas.

37. Website action has now changed to green due to the recent progress and we expect the new website to launch in the coming months once the review of webpage material is complete.

### **Budget 2025/26**

38. The budget for 2025/26 was agreed at £26,742,000.

## 2025/26 Pension Fund Budget – Q3 Update

	Budget	YTD	%	Forecast Outturn	Variance
	2025/26	2025/26		2025/26	2025/26
	£'000	£'000		£'000	£'000
<b>Administrative Expenses</b>					
Administrative Employee Costs	2,067	1,275	62%	1,870	-197
Support Services Including ICT	1,193	841	71%	1,193	0
Printing & Stationary	78	71	91%	78	0
Advisory & Consultancy Fees	5	0	1%	5	0
Other	60	-2	-3%	20	-40
<b>Total Administrative Expenses</b>	<b>3,403</b>	<b>2,185</b>	<b>64%</b>	<b>3,166</b>	<b>-237</b>
<b>Investment Management Expenses</b>					
Management Fees	20,500	10,500	51%	21,500	1,000
Custody Fees	30	10	32%	30	0
Brunel Contract Costs	1,630	3,146	193%	3,146	1,516
<b>Total Investment Management Expenses</b>	<b>22,160</b>	<b>13,656</b>	<b>62%</b>	<b>24,676</b>	<b>2,516</b>
<b>Oversight &amp; Governance</b>					
Investment & Governance Employee Costs	470	314	67%	410	-60
Support Services Including ICT	13	7	57%	13	0
Actuarial Fees	350	383	109%	350	0
External Audit Fees	100	178	178%	180	80
Internal Audit Fees	19	0	0%	19	0
Advisory & Consultancy Fees	110	51	46%	120	10
Committee and Board Costs	25	32	127%	35	10
Subscriptions and Memberships	92	30	33%	80	-12
<b>Total Oversight &amp; Governance Expenses</b>	<b>1,179</b>	<b>995</b>	<b>84%</b>	<b>1,207</b>	<b>28</b>
<b>Total Pension Fund Budget</b>	<b>26,742</b>	<b>16,836</b>	<b>63%</b>	<b>29,049</b>	<b>2,307</b>

39. Key points to note that there is a forecast underspend on Administration staff costs resulting from the team carrying several vacancies over the first half of the year.
40. Management fees are forecast to exceed the budget by £1m, this is primarily due to investment performance for equities exceeding the return used to determine the budget figure.
41. An amount of £1.4m was invoiced to the Pension Fund during Q3 by Brunel due to the company requiring capital because of a non-going concern provision in their accounts. This is due to the expectation the company will be wound up in 2026/27. The amount was slightly less than the estimate of £1.8m highlighted in the budget monitoring for the previous quarter. Any unused element of the additional monies paid to Brunel will be distributed back to clients once a liquidator has finalised the position from winding up the business.
42. There is an underspend forecast on investment/governance staff costs. This is partly due to a resignation in the investments team that will not be filled immediately.
43. External audit fees are forecast to exceed the budgeted figure as additional costs for the 2022/23 and 2023/24 audits have come through in the current year.

#### **Service Priorities for 2026/27**

44. The service priorities for 2026/27 were developed through a workshop to which all members of the Pension Committee and Pension Board were invited. This year, the workshop was held on 9 February 2026 and was facilitated by Hymans Robertson.
45. The workshop enabled members of the Committee and Board to identify key priority areas for the Fund for 2026/27. Fund officers have sought to bring this together under 4 key priorities within the 2026/27 Business Plan (annex 1) which are summarised as follows:
  - a. First key priority is to deliver further improvements to the governance arrangements of the Fund.
  - b. The second key priority is to deliver further operational effectiveness of the service delivery/administration function, including delivery of regulatory changes.
  - c. The third key priority is to develop further the Fund's Investment and Funding service.
  - d. The fourth and final key priority is to deliver service enhancements and cost reductions through increased use of technology.
46. The full details of the 4 priority areas and underlying priorities are included in Part B of the draft Business Plan included in annex 1.

47. The key priority areas detailed in annex 1 represents a significant challenge. This is similar for all LGPS Funds, the pace of change shows no sign of abating, in fact further consultations are expected this year along with the implementation of the outcomes of the consultation from 2025. Pressure will continue on Fund resources for the foreseeable future

### **Budget 2026/27**

48. The proposed budget for 2026/27 is set out as Part C of the Business Plan which also includes a comparison with the budget for 2025/26. Overall, there is an increase in the proposed budget from £26,742,000 to £31,193,000 (16.6%).

49. Other than inflationary increases, there are a number of points to note on increases in the budget.

50. The increase in the staffing budget reflects the anticipated outcome from the organisational redesign work and the additional posts detailed in the Workforce Strategy covered later in the agenda. This represents an overall increase of 16.9% in employee costs and a significant investment in our people.

	2026/27 £'000	2025/26 £'000	Percentage Increase
Administrative Employee Costs	2,377	2,067	15.0%
Investment and Governance Employee Costs	588	470	25.1%
<b>Total Cost</b>	<b>2,965</b>	<b>2,537</b>	<b>16.9%</b>

51. The largest increase in the budget is for Investment Management expenses, which has seen a significant increase from £22,160,000 to £26,135,000. This partly reflects the growth in the assumed average asset value over the course of the next year on which fees are payable which reflects the continued growth of the Fund now reaching over £4 billion. It also takes into account an estimate of the additional costs created by the Government invitation for the Administering Authority to find a new pool and transition from the Brunel Pensions Partnership to LGPS Central. The Committee have no control over this aspect of the budget. Whilst the final costs will be unclear for some time, officers will keep Committee/Board updated as more information becomes available.

### **Training Plan**

52. Annex 2 sets out the broad Training Plan for Committee and Board Members. This reflects the feedback from Committee and Board members in 2025. Various training sessions have been held throughout the year such as the joint training day on October 2025 covering a range of topics such as Climate Change Modelling/Scenarios, Being an effective pension committee or board member and Natural Capital. A variety of online training sessions were run throughout the year on triennial valuations, responsible investment and others.

53. The Plan also includes reference to the on-line training offered by Hymans Robertson which all Members are encouraged to complete, a list of recommended

external courses and conferences which Members are invited to consider as well as the offer of individual sessions with officers and the development of a specific training plan to meet individual needs.

54. Since our last Committee meeting, we are encouraged to see a number of Committee and Board Members booking on the external courses and conferences, should you need any further information on these please see the links in the Training Plan (annex 2) and for any questions, please contact Anna Lloyd our Governance and Communications Officer.

## **Cash Management**

55. The final section of the business plan, Part D, provides the annual cash management strategy for the Fund. The Strategy is based on the Treasury Management Strategy for the Council but has a significantly reduced number of counterparties reflecting the lower sums of cash involved, and the wider set of alternative investment classes open to the Pension Fund.

## **Corporate Policies and Priorities**

56. The overall priorities of the Pension Fund are summarised as:

- To fulfil our fiduciary duty to all key stakeholders
- To administer pension benefits in accordance with the LGPS regulations, and the guidance set out by the Pensions Regulator
- To maintain a funding level above 100%
- To ensure there are sufficient liquid resources to meet the liabilities of the Fund as they fall due, and
- To maintain as near stable and affordable employer contribution rates as possible

## **Legal Implications**

57. The Fund will continue to be administered in accordance with the Local Government Pension Scheme Regulations 2013.

## **Staff Implications**

58. There are no direct staff implications arising from this report.

## **Equality & Inclusion Implications**

59. There are no direct equality and inclusion implications arising from this report.

## **Sustainability Implications**

60. There are no direct sustainability implications arising from this report.

## **Risk Management**

61. The Local Pension Board provides scrutiny and support to the Pension Fund Committee, in relation to their responsibility to ensure there is effective risk management over the Pension Fund operations.

## **Consultations**

62. Officers of the Fund.

Lorna Baxter  
Deputy Chief Executive and Section 151 Officer

Annex:           1 – Business Plan 2026-27  
                  2 - Oxfordshire Pension Fund Training Plan 2026-27

Background papers: N/A

Contact Officer: Mark Smith, Head of Pension Fund, 01865 328734,  
mark.smith@oxfordshire.gov.uk

March 2026