PENSION FUND COMMITTEE

04 September 2026

INVESTMENT AND FUNDING UPDATE

Report by the Deputy Chief Executive (Section 151 Officer)

RECOMMENDATION

The Committee is RECOMMENDED to note the contents of the report.

Executive Summary

1. This report provides an update on the Investment Strategy Statement, progress of portfolio transitions to LGPS Central, the Fund's cashflow position, and local investments.

Transitions Update

2. Transition outcome reports have been provided for the transition of the Brunel Global High Alpha global equities portfolio to the LGPS Central Global Equities portfolio. ~£410m of assets were transitioned and the cost of transition was assessed as c.£787k (19.2 bps).

3. As previously reported the cost of the Sustainable Equity transition was c.£800k (12bps) and there was no cost for the UK Equity transition which has initially been mirrored at LGPS Central.

4. The cost of transitions to date is therefore c.£1.6m. Further updates on transition costs will be provided as they take place.

Fund Cashflows

5. From the 1st April 2026 contribution rates from the 2025 triennial valuation came into effect. The combined employer contribution rate from the 2022 valuation was 20.7% of pay falling to ~18.1% of pay in the 2025 valuation over the three-year period commencing 1st April 2026.

6. Over the first four months from April 2026 the Fund has continued to be cashflow positive on the balance of contributions received and pensions paid by approximately £500k a month.

7. The Fund is forecast to become cashflow negative in 2027. There is no near-term concern for the Fund from negative cashflows given the cash buffer operated by the Fund and the additional cash currently held awaiting deployment into private markets.

Local Investment

8. The Fund has completed its £10m investment into the Resonance Housing Pathways Fund focused on transitional housing. The Pension Fund's investment aims to deliver transitional housing in Oxfordshire as agreed by the Committee.

9. An update on local investments currently in progress will be provided later in the meeting.

10. Future local investment will be delivered through LGPS Central who are currently developing a local investment product. Officers will continue to work with Central in this area guided by the Fund's Local Investment Policy.

Corporate Policies and Priorities

1. 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

The legal implications section should be completed by a member of the legal service

2. This report has been prepared in accordance with the Oxfordshire County Council's (the "**Council**") responsibilities as the Administering Authority for the Oxfordshire Pension Fund.

3. As Administering Authority, the Council is responsible for managing and administering the Local Government Pension Scheme pursuant the Local Government Pension Scheme Regulations 2013 ("**LGPS Regulations 2013**").

4. The Council as Administering Authority determines its own governance arrangements and the delegation of those responsibilities which is set out in the Council's Governance Strategy Statement (v 2025). Pension Fund Reports are a non- executive function and presentation before Cabinet is not required.

5. Oxfordshire County Council as Administering Authority for the Fund delegates all functions relating to the management of the Pension Fund to the Pension Fund Committee. Certain functions are then further delegated by the Pension Fund Committee to Officers in accordance with the Scheme of Delegation.

Officers report decisions back to the Pension Fund Committee.

6. Regulation 53A (Appointments that must be made by administering authorities) of the LGPS Regulations 2013 to be implemented with effect from 1st April 2026 by the Local Government Pension Scheme Amendments Regulations 2026 will requires the Administering Authority to have a senior Local Government Pension Scheme officer, “who has senior responsibility across all pension functions to ensure the fund is appropriately managed and resourced across administration, investment and governance matters” which much be in accordance with guidance issued by the Secretary of State. (**S53A**(**1**)) The senior Local Government Pension Scheme officer (“**the senior LGPS officer**”) is a statutory role.

7. The senior LGPS officer role is responsible for all aspects of managing the Local Government Pension Scheme within the Administering Authority.

8. In carrying out its functions, the Pension Fund Committee must act within the statutory framework governing the Local Government Pension Scheme (the “**LGPS**”), including pursuant to the Local Government Pension Scheme Regulations 2013, the Administering Authority’s required governance and administration requirements, and the approved Pension Fund Governance Policy and Scheme of Delegation.

9. The Administering Authority must have regards to and publish its Pension Fund Strategy and any revisions pursuant to s59 of the LGPS Regulations 2013.

10. Any procurement, contractual, or data-handling matters connected with the implementation of decisions are managed in accordance with the Council’s Contract Procedure Rules and Data Protection obligations. Further legal advice will be requested and provided where required. The senior LGPS officer has provided the legal team with full information relating to this report for review and consideration and answered any queries raised.

11. Both Section 151 Officer and the senior LGPS officer should approve pension fund accounts.

12. Legal team is assured that the Pension Fund Committee has taken appropriate advice to ensure the Committee fulfils its fiduciary duties to Scheme members and employers.

13. In view of all information provided, legal review of legislative and regulatory requirements, including impending enacted amendments to LGPS Regulations 2013, and the cogency of information provided by the senior LGPS officer who has consulted with the S151 Officer, the Pension Fund Committee Report, provided appropriate approval of pension fund accounts is provided pursuant to paragraph 70 above, the contents of this report satisfy the requirements of the LGPS Regulations 2013 (as amended) in respect of its administration, operation and management. The Council’s legal team is satisfied that all regulatory, legislative and governance requirements pertaining to Oxfordshire County Council as Administering Authority are complied with, by the level of engagement, documentation provided for review, explanation and scrutiny offered by the senior LGPS officer and our opportunity for review.

Contact :

Staff Implications

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

Equality & Inclusion Implications

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

Sustainability Implications

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

Risk Management

17. 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.

Lorna Baxter
Deputy Chief Executive (Section 151 Officer)

Annex: Nil

Background papers: Nil

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