



Minutes of a meeting of the Local Pension Board held at County Hall, Glenfield on Wednesday, 25 June 2025.

PRESENT

Mr. A. Cross (in the Chair)

Mrs R. Gilbert
Mr. A. Stewart

Mr. P. Morris CC
Mr. M. Squires CC

1. Appointment of Chairman.

It was moved by Mr. Anthony Cross and seconded by Mrs. Ruth Gilbert:

“That Mr. Manjit Saroya be elected as Chairman for the period until the next Annual Meeting of the Council in 2026.”

The motion was put and carried unanimously.

RESOLVED:

That Mr. Manjit Saroya be appointed as Chairman.

In the absence of the Chairman, the Democratic Services Officer asked those present to appoint a Chairman for the meeting.

With the agreement of those present Mr. Anthony Cross (Employee Representative) took the Chair for this meeting only.

2. Appointment of Vice-Chairman.

There were no nominations received for the role of Vice-Chairman.

RESOLVED:

That the agenda item be deferred to the next meeting of the Local Pension Board.

3. Minutes.

The minutes of the meeting held on 5 February 2025 were taken as read, confirmed and signed.

The Chairman put on record his appreciation of the work undertaken by the previous Chairman, Mrs. Page.

4. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

5. Urgent items.

There were no items for consideration.

6. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No declarations were made.

7. Pension Fund Valuation 2025 - Assumptions and Employer Risk.

The Board considered a report of the Director of Corporate Resources which requested that the Board note the proposed assumptions and employer risk, used in the Leicestershire Local Government Pension Scheme (LGPS) valuation. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

Arising from the discussion, the following points were made:

In response to a Member's question regarding the current benefit rate in comparison to 2022, officers reported the current fund was valued at approximately £6.7billion. Whilst specific asset figures from 2022 were not readily available, it was suggested the asset value was estimated to be £5.8billion, with the funding level having improved significantly, rising from around 105% in 2022 to approximately 146% currently, based on an 80% prudence assumption and indicated a positive trend in the Fund's financial health. Officers undertook to provide further detailed breakdown of the Fund based on assumptions for the period from 2022 to current to Members.

RESOLVED:

- a) That the Pension Fund Valuation 2025, Assumptions and Employer Risk report be noted.
- b) That a detailed breakdown on the valuation of the Fund based on assumptions from 2022 to 2025 be provided to Members.

8. Pension Fund Administration Report January to March 2025 - Quarter Four.

The Board considered a report of the Director of Corporate Resources the purpose of which was to provide information on the main administrative actions in the fourth quarter period from January to March 2025, covering governance areas including the administration of Fund benefits and the performance of the Pensions Section against its key performance indicators (KPIs). A copy of report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion, the following points were made:

- i. Members expressed their satisfaction in the improved performance indicators to levels prior to the McCloud case. They acknowledged the significant efforts made by officers in implementing the remedy. Furthermore, Members requested Officers investigate whether the KPIs can include a memorandum detailing the duration between an individual's retirement date and the actual receipt of their pension commutation.
- ii. Members recognised the newly established Pension Fund member website and the efforts made to promote member engagement with the service. Additionally, Members were assured that the transition for individuals accessing the new website would be seamless for current registered members, and the new site was being developed by the same team that designed the previous website.
- iii. In response to a query around KPIs for ill health retirement, it was indicated that the incidents of ill health retirements were comparatively low and was not a focus of active engagement for the team. However, information concerning the figures and any positive or negative trends would be shared with Members.

The Chairman asked that thanks from the Board be sent to staff in the Pension Team for their continued hard work.

RESOLVED:

- a) That the Pension Fund Administration Report January to March 2025; Quarter Four be noted.
- b) That the Board considered the proposed extension of the McCloud deadline ahead of the Local Pension Committee meeting on 27 June 2025 and made no additional comments.
- c) That the length of time between a person's retirement and receipt of commutation of pension be investigated for inclusion in future reports.
- d) That the Director of Corporate Resource be requested to circulate statistics on ill health retirement looking at positive or negative trends in numbers, for information.

9. Additional Voluntary Contributions.

The Board considered a report of the Director of Corporate Resources which provided information on the outcome of the Fund's Additional Voluntary Contribution (AVC) tender and improvements introduced for the Fund's AVC payers. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

The Chairman welcomed Mr. Alistair Hogg from The Prudential to the meeting who was in attendance online.

Arising from discussion the following points were made:

- i. It was reported that following an external tender process, The Prudential were the successful bidder and would continue its relationship as AVC provider for the Leicestershire Fund. The process had been an opportunity to negotiate different terms as part of that work, including a reduction in the annual management charge.

- ii. Also introduced to increase diversity options available to scheme member AVC payers, was the HSBC Islamic Global Equity Index, which was a new passive fund option available.
- iii. More recently The Prudential had upgraded its education and information campaigns to members of the pensions schemes that they worked with and had received strong, positive responses from scheme members on the AVC scheme. It was further reported that there was a 40% open rate on emails, following which there was a 10% click through to the website for further information. The Prudential would continue to support employers and encourage the adoption of AVCs in the workplace.

RESOLVED:

That the Additional Voluntary Contributions report be noted ahead of the Local Pension Committee meeting on 27 June 2025 and made no additional comments.

10. Change to the Order of Business.

The Chairman agreed to vary the order of the business from that set out in the agenda taking Agenda Item 11: Internal Audit Arrangements (Including Internal Audit Work Conducted During 2024-25) and the Internal Audit Plan 2025-26 ahead of Item 10: LGPS Central Update.

11. Internal Audit Arrangements (Including Internal Audit Work conducted During 2024-25) and the Internal Audit Plan 2025-26.

The Board considered a report of the Director of Corporate Resources which provided information on the internal audit arrangements for the Leicestershire County Council Pension Fund (the Fund) and LGPS Central Limited, summarised the outcomes of audits conducted during 2024-25 and outlined the internal audit plan for 2025-26, and the implementation of the Global Internal Audit Standards in the UK Public Sector (GIAS/UK Public Sector). A copy of the report marked 'Agenda Item 11' is filed with these minutes.

RESOLVED:

That the report on Internal Audit Arrangements (including Internal Audit Work conducted during 2024 to 2025) and the Internal Audit Plan 2025 to 2026 be noted.

12. LGPS Central Update.

The Board considered a report of the Director of Corporate Resources which provided an update on the outcome of the fit for the future consultation and pooling matters with LGPS Central. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

The Chairman welcomed Mr. Richard Law-Deeks, Ms. Cara Forest, Ms. Jayne Atkinson, and Mr. Trevor Castledine from LGPS Central to the meeting for the agenda item who were present online. They provided a presentation as part of this item. A copy of the presentation slides is filed with these minutes.

Arising from discussion, the following points were made:

- i. Currently £3.8billion of the £6.7billion LCC pension Fund was invested with LGPS Central, around 58% of the Fund.
- ii. The Government had focussed on the LGPS with their pension review 'Fit for the Future' to boost growth and investment in the UK and had looked at the Canadian and Australian models for pension funds with the aim of accelerating pooling of pension funds, and widening the services that pension pools delivered, such as, local investment. The Government had requested that a plan be drawn up for the transition to new services, and LGPS Central had received good feedback from Government on its plan.
- iii. LGPS Central had a range of different, diversified investment products which were updated and evolved in accordance with partner funds' needs. When entering into partnerships with investment managers it was Central's intention of forging long-term relationships, and there was a robust monitoring process in place following investment with regular due diligence on those managers.
- iv. It was explained that with a passive approach to investment, for example listed equities, there would be a benchmark of different companies and a set percentage as to how much of the benchmark would be invested in particular companies, for example, how much to invest in Tesco. The fund manager would hold the exact benchmark percentage invested and would not make any active decisions to underweight or overweight that particular stock or company.
- v. In contrast with an active approach a fund manager would actually decide that they preferred one company over another and would hold a higher percentage versus the benchmark for that company.
- vi. In response to a question as to who set the benchmark for passive investment, it was reported that different benchmarks were used internally, typically household names such as the FTSE, that would be chosen as appropriate for a particular fund.
- vii. Members' attention was drawn to the global multi-asset credit fund, and that the current underlying makeup of the fund was currently under review. Whilst figures in the report showed that performance was lower than the benchmark, the fund had performed well in Q2. It was further noted that long-term investments should be looked at with a 10-year plus lens as early investment had one-off costs at the start which depressed return, and it would take time before real returns were seen. Progress in relation to the review would be reported to the Committee at a future meeting.
- viii. It was suggested that Government were taking a harder line and a more legislative approach to promoting pooling. LGPS Central as a company and with partner funds had put together a forward plan which would address some of the important needs and new requirements the government had imposed on pooling companies. However, it was clear that each individual administering authority would remain sovereign over their high-level investment strategy, but rather than obtaining principal advice from a third-party advisor would now need to take that advice from their pooling company, and an advisory function would need to be built.

RESOLVED:

That the LGPS Central update report and presentation be noted.

13. Pensions Dashboard Programme Report.

The Board considered a report of the Director of Corporate Resources which provided an update to the Board in respect of the progress of work related to the Pensions Dashboards Programme (PDP) as at 31 May 2025. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

Arising from the discussion, the following points were made:

- i. A Member questioned the difference between the current portal and the new data. It was explained that the PDP's intention was to connect people with any missing pensions, and the current portal would now allow users to access the data to trace all of their pension schemes. Other Funds had raised the question of linking the two systems, and developers of the PDP would look to develop that over the years, but currently there were no plans to align it.
- ii. There would be national information from the government, as well as the Fund having a responsibility to promote the new dashboard service to reach those people who had lost track with their pensions.
- iii. Persons would access the dashboard using identifier information, such as name, date of birth and national insurance number which would pick up past pension detail.
- iv. It was explained that 'undecided people' were persons that had left, generally under the age of 55, and the pensions team were in the process of calculating entitlement and contacting the persons for either a refund of contributions, a preserved benefit, or the ability to transfer to another scheme.

RESOLVED:

That the Pensions Dashboards Programme report be noted.

14. Risk Management and Internal Controls.

The Board considered a report of the Director of Corporate Resources which provided information on any changes relating to the risk management and internal controls of the Pension Fund, as stipulated in the Pension Regulator's Code of Practice. A copy of the report marked 'Agenda Item 13' is filed with these minutes.

RESOLVED:

That the report on Risk Management and Internal Controls be noted.

15. Dates of Future Meetings.

The date of future meeting of the Board on the following dates were noted:

3 September 2025
29 October 2025

10.00am to 11.55am
25 June 2025

CHAIRMAN