



**Meeting:** Leicestershire Local Government Pension Fund - Annual General Meeting

**Date/Time:** Monday, 15 December 2025 at 12.00 pm

**Location:** County Hall - County Hall

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The meeting can be viewed live on the Council's website at  
[Pension Fund AGM 15 December 2025](#)

### **AGENDA**

<u>Item</u>	<u>Report by</u>	
1. Minutes of the meeting held on 9 December 2024.		(Pages 3 - 12)
2. Question time.		
3. Questions asked by Members under Standing Order 7(3) and 7(5).		
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.		
5. Declarations of interest in respect of items on the agenda.		
6. Pension Fund Annual Report and Accounts 2024/2025.	Director of Corporate Resources	(Pages 13 - 146)

*(This item will include a presentation by the Director of Corporate Resources. Those in attendance will have the opportunity to ask questions concerning the Annual Report and Accounts. Those unable to attend are asked to forward any questions they have to [democracy@leics.gov.uk](mailto:democracy@leics.gov.uk) by 12 noon on Friday 12 December).*



7. Hymans Robertson Valuation Presentation. Hymans  
Robertson

There will be a presentation on the day from representatives of Hymans Robertson, the Fund's Actuary.

8. Local Pension Board Annual Report. Local Pension Board (Pages 147 - 158)
9. Report of the Local Pension Committee Employee Representatives. Employee Representatives (Pages 159 - 160)
10. Appointment of Scheme Member Representatives to the Local Pension Committee.

*There is a vacancy for a Scheme Member representative. The position will be held for three years.*

*The is a vacancy for a reserve Scheme Member representative. The position will be held for one year.*

*If there is more than one nomination for each position, there will be a ballot at the meeting.*

11. Appointment of Scheme Member Representatives to the Local Pension Board.

*There is a vacancy for the Scheme Member representative. Two nominations have been received for the Local Pension Board, therefore there will be a ballot at the meeting. The position will be held for three years.*

*There is a vacancy for the reserve Scheme Member representative, which will be offered to the person placed second in the ballot. The position will be held for one year.*

12. Date of next meeting.
13. Any other items which the Chairman has decided to take as urgent.



Minutes of a meeting of the Leicestershire Local Government Pension Fund - Annual General Meeting held at County Hall, Glenfield on Monday, 9 December 2024.

PRESENT

Leicestershire County Council

Mr. T. Barkley (Chairman)

Mrs. H. J. Fryer

District Representative

Cllr. M. Cartwright

Employee Representative

Mr. V. Bechar

Mr. N. Booth

Mr. C. Pitt

In attendance

Mr. Tom Hoare – Hymans Robertson

Mr. Steven Tart – Hymans Robertson

1. Minutes.

The minutes of the meeting held on 11 December 2023 were taken as read, confirmed and signed.

2. Question Time.

The Chief Executive reported that 6 questions had been received under Standing Order 34 from Mr. Anthony Simmons

1) “What is the total value of the funds in the Central Pool?”

**Reply by the Chairman:**

To date Leicestershire County Council Pension Fund (the Fund) is over 40% pooled (c.£2.6billion) as at the end of September 2024.

Combined assets of all partner funds within LGPS Central (Central) amounts to approximately £61billion based on numbers taken from the Government’s ongoing ‘Fit for the Future’ consultation.

As at 31 March 2024 Central were responsible for the management of £29.9bn of the eight partner funds’ assets.

2) “What are the advantages and disadvantages of being in the Central Pool?”

**Reply by the Chairman:**

The Fund alongside Central and other partner funds work in close partnership and collaboration. This has delivered significant benefits including:

- Delivery of cost savings for partner funds in support of efficiency and value for money.
- Increased the range of investment opportunities, providing diversification benefits alongside management fee reductions to external managers only possible with scale.
- Internal investment expertise and capabilities not available without pooling which includes significant responsible investment and engagement services.

While limited, part of the drawback of pooling relates to a limited ability to invest in smaller scale niche investments and having an investment product available to match the Fund's investment priorities. Any potential disadvantages are managed via close partnership with Central and partner funds.

- 3) "The Government is encouraging Local Government Pension Funds to form a 'mega fund'. If this happens, what would be its total value and what could be the advantages and disadvantages of such a coalition?"

**Reply by the Chairman:**

The Government are in the process of consulting on proposals for the Local Government Pension Scheme (LGPS) entitled 'Fit for the Future' in relation to asset pooling, UK and local investment and governance. At this time any reference to 'mega fund' by the Government refers to the continuation and acceleration of existing pooling structures. The focus is on further pooling of investments and not merging of fund administration.

- 4) "Is there an arrangement somewhere between the current situation and the 'mega fund' that could be more advantageous and/or have less disadvantages?"

**Reply by the Chairman:**

As set out in the response to Question 3 above, the proposals are looking to conclude what was started in 2015 with the introduction of pooling. These proposals do have important considerations for how they impact schemes and initial views were set out at the Local Pension Committee in November 2024. A link is provided to the relevant paper [here](#).

Governments consultation proposals at a high level relate to:

- Pooling - Mandating certain minimum standards for pooling including, delegation of implementation of investment strategy to pools, pools providing principle investment advice and a requirement to transfer legacy assets to pools by 31 March 2026.
- UK and Local Investment - Funds to set out approach to local investment with regard to local growth plans and local economic priorities in setting their

investment strategy, noting however the definition of 'local' requires further clarification.

- Governance - Strengthening the governance of both LGPS funds and LGPS pools.

At this point the Fund cannot fully set out advantages and disadvantages for the current proposals, at a high-level these proposals can be seen positively with continued partnership working between pools and partner funds enabling further benefits to be achieved.

The Director of Corporate Resources, in consultation with the Chairman of the Local Pension Committee, have been delegated the responsibility to respond to this consultation. Part of the Fund's response will include recommendations that:

- Pools inherit the same fiduciary duty as administering authorities.
- Appropriate governance is in place to ensure the implementation of investment strategy by pools fits with the scheme requirements.
- Retaining investment advice through a shared investment advisor across partner funds, independent to the pool.
- Sufficient consideration is given to pools' resourcing capacity whilst onboarding all assets by 31 March 2026, whilst fulfilling proposals to undertake investment advice, implementation and consider local investing
- A broader definition of local investment to enable investment in appropriate assets that have the same risk and returns profile compared to globally diversified investments.
- New governance responsibilities are appropriate and proportionate to the outcome of the consultation.

These points will be set out alongside the assertion that the foremost priority of the Fund is to achieve appropriate risk adjusted investment returns in line with its fiduciary duty to employers and scheme members.

- 5) "When investments are selected is any consideration given to the possible benefit of the investment directly to the employers supporting the Leicestershire Local Government Pension Fund and the Fund's Members?"

**Reply by the Chairman:**

Any decisions related to asset allocation and manager selection are made with regard to the appropriate risk and return in line with the Fund's fiduciary duty. These investment decisions are delegated to investment managers whose focus is to meet their target return. Where investment opportunities exist within Leicestershire or the UK we would expect the managers would consider these opportunities, however fiduciary duty would still be the primary focus.

Consideration will be given to the outcome of the current consultation with regard to local investment and how to incorporate this in line with fiduciary duty.

**Supplementary Question**

“When replying to the Government's consultation will the Director of Corporate Resources and the Chairman be asking the Government to define 'local' as the geographical area covered by a Fund [e.g. Leicester, Leicestershire and Rutland] rather than an area covered by a Pool or the UK as a whole?”

**Reply by the Chairman:**

At the request of the Chairman, officers were asked to provide a response to Mr. Simmons supplementary question following the meeting.

[The Fund's response to the Government's Fit for the Future consultation, as delegated to the Director of Corporate Resources in consultation with the Chairman of the Local Pension Committee was included in the agenda of the Local Pension Committee on 31 January 2025, and Question 13 highlighted to Mr. Simmons in an email]

Question 13: What are your views on the appropriate definition of 'local investment' for reporting purposes?

The Fund would welcome a broad UK-wide definition, to maximise the potential to identify investable opportunities. There should be clear guidance on how pools report this, for example we believe that there is value in reporting on UK based companies and non-UK based companies that have operations within the UK.

We believe a broad UK-wide definition is supportive of achieving a variety of successful outcomes by allowing pools to consider investments at scale, alongside collaborate with other pools and organisations such as the National Wealth Fund.

A broad UK-wide definition would also be better aligned with best practice government highlight from Canadian pension schemes investments within Canada. It is not evident that more specific area investment would have any more successful outcomes more broadly. While certain AAs have clearly had success in their own approach to local investment these are at a smaller scale than would likely be manageable by a pool from a resource consideration, especially to the extent the consultation raises benefits of scale. These should all be considerations that partner funds and pools agree as part of an agreed framework.

- 6) “I raised a question about stranded assets with particular respect to fossil fuel investments at the 2023 AGM. I am even more concerned about this now. Does the Fund have a strategy / strategies for transferring investments quickly?”

**Reply by the Chairman:**

These are risks that are monitored through the Fund's Net Zero Climate Strategy and annual Climate Risk Management report. Asset allocation and investment manager selection are carefully considered, and thorough due diligence is carried out beforehand. The Fund moves in a measured way and does not make extreme moves in order to include or exclude specific sectors or become over reliant on individual sectors or asset classes.

In working towards the Fund's medium- and long-term net zero targets the Fund has committed to decreasing exposure to fossil fuels. This is supported through asset allocation decisions, for example to a Low Carbon Transition fund.

The Fund's Annual Responsible Investment (RI) Plan looks to enhance processes, management and monitoring of RI risks, alongside only appointing managers that integrate responsible investment into their decision-making processes.

LGPS Central as well as LAPFF (the Local Authority Pension Fund Forum) engage companies on issues such as stranded asset risk. These partners provide updates on these engagements as part of their quarterly reports and are included within the Pension Committee's quarterly Responsible Investment report.

In reference to specific decisions with respect to fossil fuel companies these day-to-day investment decisions are delegated to the Fund's specialist investment managers. These managers are required by the Fund to consider all material factors, including in relation to climate change. These expert managers decide whether to invest, continue to be invested or reduce their exposure to these companies. The Fund currently retains the right to replace managers when they cannot demonstrate application of their RI policy to investment decisions.

Ultimately as a 'universal investor' the Fund is diversified across investments which represent a slice of the global economy, meaning even total divestment from fossil fuel investments would not protect the Fund from climate risks, only remove its ability to engage with them, with ownership passing to less responsible investors. Therefore, it is vital the Fund continues to consider these issues broadly across the Net Zero Climate Strategy. To this end it is pleasing to highlight that the Fund has now achieved both interim primary targets for in scope investments since 2019 having:

- a. achieved its first interim target of reducing the weighted average carbon intensity (WACI) by 50% by 2030, with an actual reduction of 52.8%, meaning the Fund is less exposed to carbon price risk.
- b. achieved its second interim target of having reduced its financed emissions by 40%, with an actual reduction of the total carbon emissions the Fund is responsible for by 40.4%.
- c. invested 20% of the Fund to directly allocated climate-related investments such as forestry.

3. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

5. Declarations of interest in respect of items on the agenda.

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.

6. Pension Fund Annual Report and Accounts 2023/2024.

A presentation by the Director of Corporate Resources was given on the Annual Report and Accounts of the Pension Fund 2023/24. A copy of the report marked 'Agenda Item 6' and presentation is filed with these minutes.

During delivery of the presentation, the following points made:

- i. As of 31 March 2024, there were exactly 107,000 scheme members, and the scheme size continued to grow.
- ii. There were over 3,000 retirements in the year, with 9,552 new starters.
- iii. The Pension Fund as at 31 March 2024 was circa £6.5billion, which was 50% bigger than March 2020.
- iv. Whilst some Key Performance Indicators (KPIs) were slightly lower than target, when looking at the number of scheme Members and the complexity of the scheme regulations that changed during the 2023/24 financial year due to the McCloud Sargeant Judgement, the figures were quite impressive and showed a strong year of performance in total.
- v. Almost 60% of the Fund was classed as pooled, with the remaining investments being funds with external managers moving on to uncalled commitment (credited amounts to managers to be called down over time whenever they need that money to invest).
- vi. The Government recently launched its Fit for the Future consultation on three main proposals, which were the reforming of LGPS asset pools, boosting LGPS investment in the localities and UK, and strengthening governance of administering authorities. Feedback on the consultation would be provided by the Authority by the deadline of 16 January 2025.
- vii. Progress against the Net Zero Climate Strategy was positive, in that progress towards net zero had already exceeded initial expectations against two primary targets:
  - A reduction in weighted average carbon intensity by 50% - this had already reduced by 52.8% versus the 2019 baseline so was way ahead of the 2030 target.
  - A target reduction in financed emissions of 40% with an actual reduction of the total of carbon emissions by 40.4% from the 2019 baseline.
- viii. All progress towards Net Zero was against a backdrop of increasing assets under management that were continuing to outperform market benchmarks, which showed the Fund was continuing positive climate actions in a way that was supportive of its fiduciary duty.
- ix. The Fund continued to engage on a whole host of environmental, social and governance issues. One method was through voting with over 125,000 resolutions made over the past year and those were votes that the Fund expected Managers to



support the long-term economic interests of its stakeholders, and to ensure that boards and directors were accountable to shareholders.

In response to questions raised, the following points were made:

- x. A member observed that the Committee and Board members came from varying different backgrounds with varying different skills, and noted that the extensive training programme in person and online, that members undertook had not been included in the presentation, and gave reassurance to scheme members that the pension regulations were observed by all Committee and Board members.
- xi. A member congratulated officers on the speed in which they had managed the implementation of the McCloud judgement, and how they had managed the extensive, complicated exercise with no additional resources.
- xii. A member questioned if, at the age of 55, a person chose to take a portion of their own pension pot, therefore reducing the final balance of their pension fund, if inheritance would also be reduced. It was explained that there would be scenarios where people would need to consider their overall estate, and inheritance was just one element of that. It was further noted that pensions officers were not financial advisors, therefore had to be careful they were not drawn into discussions on financial matters such as tax where independent financial advice should be sought in terms of how they access the benefits to try and reduce the risk around tax.
- xiii. A member raised the subject of pension payments around probate. It was explained that currently it was quite an easy process where a member completed a death grant nomination form, which when notified a valuation was provided to the person managing the estate to take account of, with a deduction of tax over the threshold (£325,000 is the norm for the majority but not for all). Following a recent government announcement around inheritance tax, it was likely to be more administratively more complex and could delay payment.

The Chairman welcomed Mr. Tom Hoare and Mr. Steven Tart from Hymans Robertson to the meeting. During their presentation, the following points were made:

- xiv. One funding valuation element was to see how the level of prudence was placed between the balance of contributions and reliance on future investment returns within the funding strategy, to ensure the Fund was able to meet all scheme member benefits now and in the future.
- xv. A funding progression chart since the valuation in 2022 since the funding position as at 30 September 2024 was 150%, which was a healthy funding position. The key driver in the improved funding position was largely down to the reduction in liabilities coupled with good asset performance over the past twelve months.
- xvi. A factor of uncertainty when managing the pension fund was life expectancy, and analytics around longevity such as place, income, pension, affluence and gender provided a level of uncertainty and it was difficult to predict how long people were expected to live for.
- xvii. With regards to climate risk and pension risk, a lot of pension funds had not paid enough attention to with regards to pension risk. As actuaries, Hymans when setting funding plans were alive to and had improved reporting around risks to the pension

fund, with improved sophistication in some of the modelling which looked at extreme events, for example, global food shock which could cascade very quickly through supply chains.

- xviii. It was pointed out that, though the Fund was 150% funded, that was for benefits that had been earned, and the majority of benefits had yet to be earned with future contributions. It was acknowledged that employers were under pressure, with councils having budget deficits forecast, and other sectors were experiencing pressure which Hymans were aware, and there was a balance to be made between protecting member benefits and also looking after affordability for employers.

In response to questions raised, the following points were made:

- xix. A Member questioned, when looking at long-term projections, to what extent had changes in demographics been into account when the world's population was expected to fall over the century. It was explained the scheme members were of primary concern, and though future earners were not yet in the pension fund, it was something to be aware of. The pension fund would be referred to as 'immature' should there be more active members compared to deferred members, and cash flows would become very relevant because more money would be paid out than was coming in, which meant assets would be used to pay pensions rather than the cash coming in.
- xx. A member asked if the models used when processing data were as good as they could be, and with regards to climate change, how much had the models changed over the past year. It was noted that the model used was an in-house model called the economic scenario service. There was regular training with the modelling team to understand the governance process around the model, which received minor calibration every month to reset to market conditions.

RESOLVED:

That the contents of the Pension Fund Annual Report and Accounts 2023-24 be noted.

## 7. Local Pension Board Annual Report

A report was presented on behalf of the Local Pension Board. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

RESOLVED:

That the report be noted.

## 8. Report of the Local Pension Committee Employee Representatives.

A report was presented on behalf of the Local Pension Committee Employee Representatives. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

RESOLVED:

That the report be noted.

9. Appointment of Scheme Member Representatives to the Local Pension Committee.

The Chairman reported that three nominations for the position of employee representative on the Local Pension Committee had been received. However, there was only one position for employee representative for three years, and one position for reserve scheme member to be offered to the person placed second in the ballot for one year.

The nominations were for Mr. Vipul Bechar, Mr. Ray Hurst, and Mr. Rupert Simms.

It was noted that the current employee representatives elected to the Committee were:

- Mr. C. Pitt (to remain an employee representative for a period of one year)
- Mr. N. Booth (to remain an employee representative for a period of two years).

RESOLVED:

- a) That Mr. V. Bechar be appointed as an employee representative for a period of three years expiring at the Annual General Meeting in 2027.
- b) That Mr. R. Hurst and Mr. R. Simms, having received an equal number of votes, be contacted after the meeting to discuss the position of reserve scheme member.

10. Appointment of Scheme Member Representatives to the Local Pension Board.

The Chairman reported that one nomination for the position of employee representative on the Local Pension Board has been received. The nomination was from Mr. Manjit Saroya. It was noted that there was also a vacancy of reserve employee representative. Mr. Andrew Stewart, currently elected to the Board as reserve employee representative, had agreed to continue in this role.

It was noted that the current employee representatives elected to the Board were:

- Mrs. R. Gilbert (to remain an employee representative for a period of one year).
- Mr. A Cross (to remain an employee representative for two years).

RESOLVED:

- a) That Mr. M. Saroya be appointed as employee representative for a period of three years expiring at the Annual General Meeting in 2027.
- b) That Mr. A. Stewart be appointed as reserve employee representative for a period of one year expiring at the Annual General Meeting in 2025.

11. Date of next meeting.

It was noted that the next Annual General Meeting was scheduled for 15 December 2025.

12. Urgent items.

As reported there were no urgent items.

12.00pm to 1.41pm  
09 December 2024

CHAIRMAN



## **LEICESTERSHIRE PENSION FUND AGM – 15 DECEMBER 2025**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

### **PENSION FUND ANNUAL REPORT AND ACCOUNTS 2024/25**

#### **Purpose of the Report**

1. The purpose of this report is to present the appended Annual Report and Accounts of the Pension Fund for the financial year 2024/25.

#### **Background**

2. There is a statutory requirement for the Annual Report and Accounts to be available on or before 1 December 2025. The Accounts are in the process of being audited and the Local Pension Board and Local Pension Committee will be updated at the earliest possible opportunity on the opinion given by the Auditor once this process has been completed.
3. The Local Pension Board considered the report at its meeting on 3 September 2025 as did the Local Pension Committee on the 26 September 2025. The Board and Committee fully supported the Pensions Fund Annual Report and Accounts.

#### **Audit progress**

4. Grant Thornton LLP are the External Auditors for Leicestershire County Council and the Pension Fund.
5. Leicestershire County Council Corporate Governance Committee met on the 24 November 2025 to consider the external audit of the 2024/25 statement of accounts, including the pension fund accounts that were previously presented to the Local Pension Committee at the September meeting. It was agreed that the Director of Corporate Resources and Chairman of the Corporate Governance Committee be delegated authority to approve and sign the financial statements and letters of representation.
6. The External Auditors anticipate issuing an unmodified opinion and note the strong financial sustainability position of the Fund (a funding level of 140% compared to

liabilities); that governance arrangements are appropriate and that effective performance management is in place. There are no recommendations in respect of the Pension Fund.

### **Presentation**

7. A presentation detailing the key elements of the annual report and accounts will be presented at the AGM by the Director of Corporate Resources.

### **Recommendation**

8. It is recommended that the Fund's Annual Report and Accounts 2024/25 be noted.

### **Equality Implications**

9. There are no human rights implications arising from the report.

### **Human Rights Implications**

10. There are no human rights implications arising from the report.

### **Appendix**

Pension Fund Annual Report

### **Officers to Contact**

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**LOCAL GOVERNMENT PENSION SCHEME**  
**LEICESTERSHIRE ANNUAL REPORT**  
Year ended 31st March 2025

Administered by  
**LEICESTERSHIRE COUNTY COUNCIL**

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## Foreword

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We are pleased to introduce the annual report for the Leicestershire County Council Pension Fund (the Fund), outlining its financial position as at 31 March 2025 and key activities over the past year. This report also explains how the Fund is managed, both in terms of administration of benefits and investment strategy.

The Fund supports over 100,000 scheme members and 200 employers, aiming to maintain long-term financial health while keeping employer contributions stable. The work of the Fund is never finished, but we are pleased to highlight in particular the following activities over the past year.

- The Fund is now worth over £6.6billion, achieving a 4.8% investment return over the past year and continued strong performance over five years.
- Over half of assets are invested with our pooling company, LGPS Central, progressing towards full pooling by March 2026 required under Government's 'Fit for the Future' plan, which we will continue to work towards in ensuring good governance and investment outcomes for the Fund.
- We met both interim carbon reduction targets and now hold over £1billion in climate aligned investments and continue to work with our partners LGPS Central and the Local Authority Pension Fund Forum to engage with companies as responsible investors.
- The Pension Team prepared for the triennial valuation, working closely with Hymans Robertson (The Fund's Actuary) who calculate the whole Fund funding value and the employer contributions.
- The Pension Team completed a tender for the Fund's Additional Voluntary Contribution (AVC) provider. The Prudential remain the Fund's AVC provider.
- The Pension Team continues to work on the national Dashboards project which looks to allow individuals to view their consolidated pension benefits in a single online account.

Thank you for taking the time to read this report.



Mr Phil King CC  
Local Pension Committee Chairman



Declan Keegan  
Director of Corporate Resources

## Introduction

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The Local Government Pension Scheme (LGPS) is a statutory public service pension scheme in England and Wales. The LGPS scheme regulations are determined nationally. However, the scheme itself is administered and managed locally. Leicestershire County Council is the Administering Authority for the LGPS within Leicestershire and Rutland (the Fund).

As the Administering Authority, Leicestershire County Council has a statutory obligation to administer the Fund for all eligible employees of all local authorities within the geographic boundaries of Leicester, Leicestershire and Rutland and also the employees of certain other scheduled and admitted bodies such as Loughborough and De Montfort University. The Fund does not cover teachers, lecturers, police or fire-fighters as they have their own schemes.

In addition to this report, the Fund also reports its compliance against a set of best practice governance principles laid down in statutory guidance. Details of these are listed [here](#).

The Fund has a number of policy statements which can be accessed [here](#). These include:

- Funding Strategy Statement
- Investment Strategy Statement and Investment Advisor Objectives
- Administration and Communication Strategy
- Net Zero Climate Strategy

# Overall Fund Management

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## Scheme Management and Advisors

### **Scheme Administering Authority**

[Leicestershire County Council](#)

### **Administering Authority Senior Officers responsible for the Fund**

#### **Finance**

Declan Keegan – LGPS Senior Officer (Director of Corporate Resources, Leicestershire County Council)

#### **Pensions Administration**

Ian Howe - Pensions Manager - Leicestershire County Council

### **Asset Pool [LGPS Central Limited](#)** **Investment Managers**

### **Investments managed by [LGPS Central](#):**

All World Equity Climate Multi Factor Fund

Global active corporate bond multi-manager fund (*Neuberger Berman, Fidelity*)

Infrastructure core / core plus multi manager fund

Global active MAC multi-manager fund (*Western Asset Management, BMO*)

LGPS Central PE Partnership 2018, 2021 & 2023 LP

Global active emerging market bond multi manager fund (*Amundi, M&G*)

Global equities multi-manager fund (*Harris, Schroders & Union*)

LGPSC Credit Partnership I, II & IV (2021)

#### **Others:**

[Adams Street Partners](#)

[La Salle Investment Management](#)

[Catapult Venture Managers](#)

[Colliers Capital UK](#)

[Cristofferson, Robb & Company](#)

[Infrastructure Funds Management](#)

[JP Morgan Asset Management](#)

[Standard Life Aberdeen](#)

[DTZ Investment Management](#)

[Aegon Asset management](#) (formerly Kames Capital)

[KKR](#)

[Legal & General Investment Management Partners Group](#)

[M&G Investments](#)

[Ruffer LLP](#)

[Quinbrook Infrastructure Partners](#)

[Stafford Capital Partners](#)

#### **Fund Custodian**

[JPMorgan, Bournemouth](#)

#### **Auditor**

[Grant Thornton LLP](#)

#### **Banker**

[National Westminster Bank, Leicester](#)

#### **AVC Provider**

[The Prudential](#)

[Fulcrum Asset Management](#)

#### **Legal Advisor**

County Solicitor, [Leicestershire County Council](#)

[Freeths Solicitors](#)

#### **Actuary and Investment Consultant**

[Hymans Robertson LLP, Glasgow](#)

## Risk Management

There are many risks associated with the LGPS, covering both the investment of the assets and the administration of the benefits payable. The governance arrangements between the Fund and the Administering Authority enable potential risks to be managed, including the Fund's Conflict of Interest Policy and separation of the Fund's budget from that of Leicestershire County Council as the Administering Authority. The Fund's Statement of Accounts included elsewhere in this report is further externally audited and overseen by Leicestershire County Council's Corporate Governance Committee further to the Local Pension Board and Committee.

The Fund maintains a Risk Register which identifies areas of focus for risk management. Risks are measured in accordance with Leicestershire County Councils risk management framework. Each quarter officers identify new risks, and review and manage existing risks on the Register. Each risk is assessed and scored based on the likelihood of it occurring and the impacts faced if it were to occur. Mitigating actions are then taken into account and the scoring reassessed. The Risk Register and changes to this are reported to the Local Pension Committee and Local Pension Board on a quarterly basis and this is also shared with the Administering Authorities Internal Audit Service.

The 2024/25 Risk Register currently includes 18 risks, none of which currently score 15 or above, which would be rated RED. These are split between 6 risk categories, separated into the following categories:

- Investment
- Liability
- Employer
- Governance
- Operational
- Regulatory

During the period, the Fund's most significant risks were:

### Investment

The ongoing risk for the Fund is that the value of assets held will ultimately be insufficient to pay for all the benefits due. This risk is quantified by a triennial actuarial valuation, which compares the value of assets to the accrued liabilities and sets employer contribution rates that are considered appropriate to ensure that all benefits can be paid.

The performance of the assets of the Fund is an important element in helping to maintain affordable employer contribution rates – the higher the long-term investment return achieved, the more of the benefits will be funded by investment returns rather than employer contributions, with employee contributions assumed to be fixed. A long-term approach is taken to agreeing an asset allocation benchmark, with both return and risk considered. The Fund's asset allocation policy is reviewed annually and last considered January 2025.

Individual investment manager performance is usually of lower importance than the asset allocation benchmark, but individual manager performance does have an impact, and their performance is considered and reviewed regularly. When there are doubts about a manager's ability to generate future performance that is in line with the Fund's requirements/expectations appropriate action will be taken, and this may include the release of a manager. It is not generally optimal to change managers on a frequent basis due to the associated costs and as a result changes are considered very carefully with the Fund's investment advisor before they are proposed to the relevant committee.

The Local Pension Committee receives advice from the investment practice of Hymans Robertson and this assists in making decisions in respect of both overall investment policy, manager selection/retention and good governance. In general, where new managers or follow on vintages from existing managers are being considered for investment, officers will agree a scope of works to cover suitability of the investment in line with the Funds objectives.

The Fund employs a number of investment managers, and all of these invest in a specific asset class and can be termed 'specialist'. Many of these managers are required to have external assessments of their systems and operations and these are reviewed to ensure that there are no issues which put the Fund's investments at risk. Other investment managers that the Fund employs are appointed by LGPS Central Ltd (LGPS Central), a company which pools pension fund assets from eight pension funds across the Midlands. Leicestershire County Council along with seven other local authorities are joint owners of the company. The company has its own governance and risk management structures in place and is authorised and regulated by the Financial Conduct Authority to operate as an Alternative Investment Fund Manager. In this capacity the Company acts as the operator of a collective investment vehicle called an Authorised Contractual Scheme. LGPS Central also manage other collective investment vehicles and provide discretionary and advisory services under the Markets in Financial Instruments Directive II authorisation.

The Fund also considers the risk to assets and liabilities arising from climate change due to the impact on global markets and assets from the transition to a low carbon economy, and/or the failure to achieve an orderly transition in line with the Paris Agreement. The Fund manages this risk through its Net Zero Climate Strategy approved in March 2023, investment decisions and stewardship. Further detail can be found elsewhere in this report.

### Operational

Managing third party risk is included in the Fund's risk register. There are risks that cover failure to receive accurate and timely data from employers, and employer and employee contributions not paid accurately and on time.

Cyber risk is included on the Fund's risk register. The Fund reviewed its Cyber Risk Policy in February 2025, in conjunction with the Pension Regulators (TPR's) Code of Practice, approved by Pensions Committee in March 2025. Improvements were implemented on the daily system backup process, and limitation to access individual's pension records.

### Administration

On the 8 September 2023, the Department for Levelling Up, Housing and Communities (DLUHC) laid The Local Government Pension Scheme (Amendment) (No 3) Regulations 2023. The regulations implemented the scheme changes from 1 October 2023, backdated to 1 April 2014. This is commonly known as McCloud.

McCloud was introduced to resolve an age discrimination case brought against the Government by younger members of public sector schemes following the move from final salary benefits to career average. The Pension Section has been working on the implementation of McCloud. This requires new cases to have McCloud factored into the calculation of benefits, and the possible recalculation of benefits back to 1 April 2014 for previously completed cases.

McCloud represents the greatest risk and challenge to pension administration within the Leicestershire Fund, due to the administrative complexity and additional resource required.

### Regulatory

The highest rated residual risk is in relation to proposed changes to LGPS regulation and guidance would require changes to the Fund's investment, pooling and governance processes. Over 2024/25 the Fund responded to consultations and highlighted concerns relating to conflicting pressures or requirements contrary to the Fund's existing investment approach. Fund officers have continued to engage with partners, LGPS Central and the Committee on these considerations following the outcome of the 'Fit for the Future' consultation in June 2025. It is recognised that this will represent significant changes over the next 12 months, and this will continue to be a risk that is carefully considered and managed.

## Governance and Training

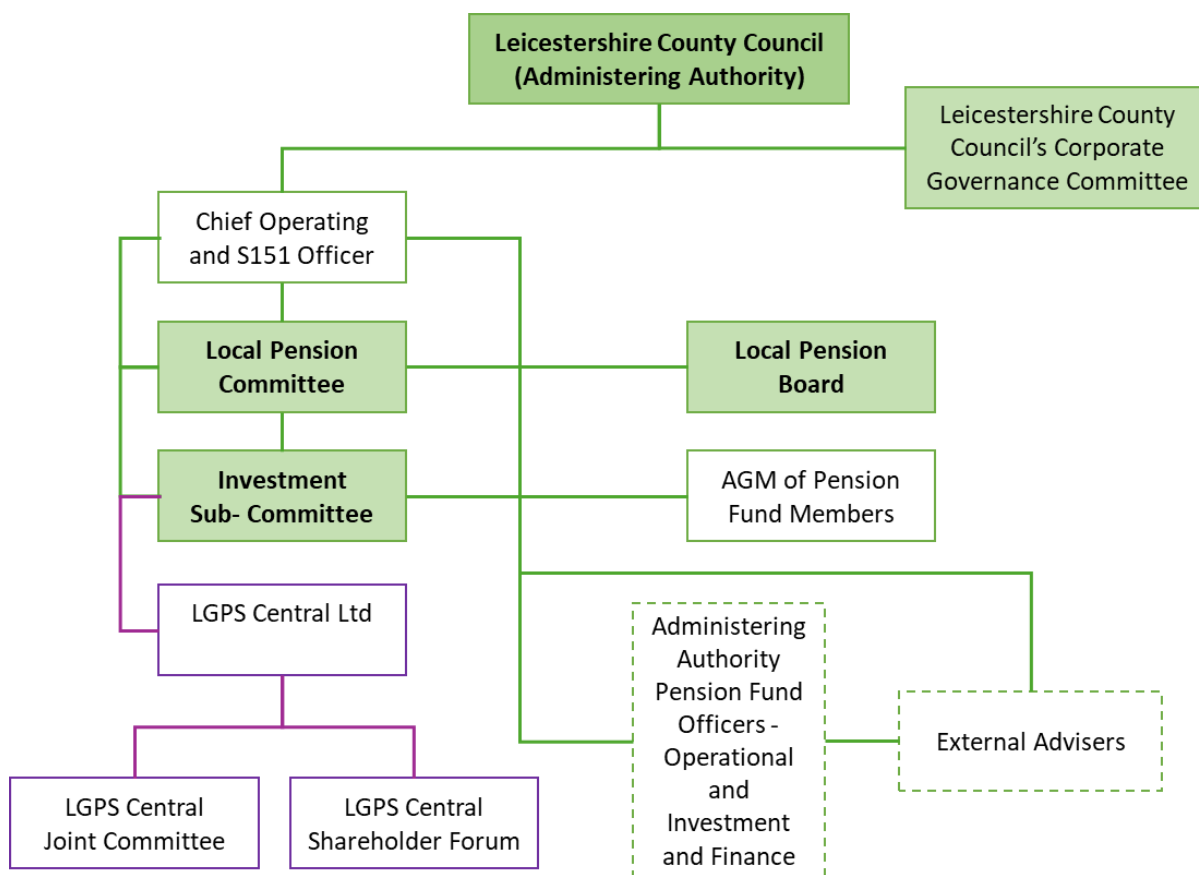
The Local Government Pension Scheme Regulations 1997 requires the Fund to publish a compliance statement and to review this on an ongoing basis the Regulations also require the Fund's governance arrangements to be measured against a number of standards set out within guidance issued by the Ministry of Housing, Communities and Local Government of the United Kingdom. The Fund's compliance with these can be viewed at the end of the report, [here](#).

To improve the transparency and auditability of its governance arrangements, the Fund's governance compliance statement recognises the Scheme Advisory Board's recommendations as set out within the [Good Governance Phase 3](#) report.

In accordance with the above, what follows is the Fund's assessment of its compliance with the standards as outlined.

### Fund Governance Structure

The diagram below summarises the local governance structure established for the Leicestershire Pension Fund.



The Council has delegated responsibility for the administration of the day-to-day operational functions of the Fund to the Director of Corporate Resources, who is also the County Council's Section 151 Officer. The Director oversees the implementation of Fund policy as determined by the Local Pension Committee through the Fund's operational, finance and investment service areas.

### The Local Pension Committee

The Fund's governance compliance statement recognises all scheme members and employers should be appropriately represented in the running of the Fund while at the same time ensuring that the County Council, as the body with ultimate responsibility for running the Fund, maintains its representation on the key governance bodies. To this end the Terms of Reference for the Local Pension Committee (LPC) specifies that the Council shall maintain an equal share of voting members on the Pension Committee.

The Committee is made up of 10 Employer Representatives with voting rights comprising of five County Councillors, two City Councillors, two District Councillors jointly nominated by the district councils, and one member jointly nominated by De Montfort/Loughborough Universities. These members are appointed using the due political process or, in the case of the two universities, by joint arrangement.

There are also three non-voting employee representatives that sit on the Committee, and they are appointed by Fund Members at the Annual Meeting of the Fund.

Full details of LPC Members are provided on [Leicestershire County Council's website](#).

A record of Member attendance at LPC meetings is maintained and a copy of this for the 2024/25 period is included at [Appendix C](#).

The Committee meets quarterly and also has a separate annual meeting to consider strategic issues relevant to the Fund which is usually held in January of each year.

The Committee may delegate certain actions to the Director of Corporate Resources, and it is expected that the Director will carry out some of the more administrative matters relating to investment management, such as the appointment of a custodian.

Full details of the role and responsibilities of the LPC are set out in its [Terms of Reference](#). Details of the Committee's work during 2024/25 can be found on the Council's [website](#). A summary is provided below:

- Alongside regular portfolio monitoring each quarter the Committee met with investment managers to discuss market conditions, investment performance and responsible investment considerations over 2024/25 this covered LGPS Central the Fund's largest manager by number of mandates and assets under management and DTZ investors who manage a number of property assets.
- Regular reports on the triennial valuation. With approval for assumptions and principles at the March 2025 meeting.
- Consideration of proposed changes and the 'Fit for the Future' consultation where committee delegated the response to the Chairman of the LPC in discussion with the Director of Corporate Resources in November 2024.



- Review and approval the Fund's risk register each quarter. Discussions by Members included geopolitical risks, potential regulatory changes and climate change.
- Monitored the implementation of the Fund's Net Zero Climate Strategy and welcomed the positive progress against targets discussed elsewhere in this report.
- Continued to receive updates on the progress of pooling from LGPS Central, progress of investment funds. As well as approval of the annual Responsible Investment Plan and quarterly reports on progress against alongside responsible investment activities of the Fund including engagement and voting results.
- Approval of the Pension Fund Business Plan and Budget, Strategic Asset Allocation.
- Noted the scale of work to be undertaken with the implementation of the McCloud Remedy, and the introduction of Government Dashboards, which continued to attract resource in the Pensions Section.

### Investment Sub-Committee

The Committee has formed an Investment Sub-Committee (Sub-Committee) to deal with more technical aspects of investment (such as looking at potential new investment opportunities or dealing with the appointment of new investment managers). Membership of the Sub-Committee is drawn from members of the Committee. It is a decision-making body, and its decisions are reported to the Committee. Full details of the role and responsibilities of the Sub-Committee are set out in the Committee Terms of Reference referred to above.

Details of the Sub-Committee's work during 2024/25 can be found on the Council's website.

A summary is provided below:

- Reviews highlighted within the January 2024 Strategic Asset Allocation were undertaken related to infrastructure and protection assets.
- Investments were made in the following funds to support achievement of the Strategic Asset Allocation, LGPS Central Private Equity 2023 vintage, Adams Street Partners global funds 2024, LGPS Central infrastructure core/core plus fund and value add opportunistic fund, Cristofferson Robb and Company Capital Relief Fund 6 and supported Stafford Capital Partners proposal to create a continuation fund for Stafford timberland funds 6,7 and 8.
- Updates were provided on the Fund's cash position and forecast to year ending 2024/25 and noting the level of investment commitments outstanding at each meeting in order to align to the SAA.

### The Local Pension Board

The Board was established in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 to assist the Administering Authority in ensuring the effective and efficient governance and administration of the Fund, including securing compliance with LGPS Regulations, other legislation and the requirements of The Pensions Regulator. The Local Pension Committee, in fulfilling its functions, will have regard to the advice of the Board. Full details of the role and responsibilities of the Board are set out in its [Terms of Reference](#).

The Board is made up of six voting members, three Employer Representatives (two elected members of Leicestershire County Council and one from Leicester City Council) and three Employee Representatives appointed by Fund Members at their Annual Meeting. Membership of the Board is detailed on the County Council's website and can be accessed [here](#).

The Board publishes an Annual Report which is available on the Fund's website, and provides further detail on the Board's activities, a record of Member attendance and training undertaken by Board Members each year. The Annual Report for 2024-2025 can be accessed [here](#).

### Pension Fund Members Annual General Meeting

An Annual General Meeting of the Pension Fund is held, to which all employee members and other interested parties are invited. The purpose of the meeting is to present the Annual Report of the Fund and to report on current issues, as well as to elect employee representatives to any vacant positions on the Committee or Board.

A number of other initiatives to involve stakeholders also take place, including:

- Presentations by the Fund/Actuary to employing bodies.
- Pensions roadshows at various venues.

Other communications to members include a newsletter on the basics of the Fund's approach to investment, and progress against the Net Zero Climate Strategy.

### Corporate Governance Committee

The Audit of the Pension Fund's Statement of Accounts is reported to the County Council's Corporate Governance Committee each year.

### Pension Fund Officers and External Advisors

The Committee, Board and Pension Fund Members at the AGM are advised and supported by the Director of Corporate Resources, Assistant Director of Finance, Director of Law and Governance, the Head of Pensions, and other Senior Finance Officers from the County Council. They attend all meetings to present reports and answer members questions on all matters relating to the operation of the fund, its investments and financial performance.

Recognising the complexity of pension investment, funding, and administration the Council has appointed independent external investment consulting and actuarial advice to support the Chief Operating Officer and the Local Pension Committee. The Council appointed Hymans Robertson who are invited to attend relevant Committee meetings and Investment Sub-Committee meetings.

## LGPS Central Ltd

In 2018, the Council was a co-founder of the LGPS Central Pool (LGPS Central) in response to Government Regulations and associated statutory guidance which required all Administering Authorities to commit to a suitable pool and to set out an approach to pooling investment. The LGPS Central pool is a partnership of eight Administering Authorities (the 'Partner Funds') to enter into collective arrangements for the investment of their LGPS fund assets.

The Partner Funds established LGPS Central which is a Financial Conduct Authority (FCA) regulated pool company. Each Partner Fund is an equal shareholder in this company which is an arm's length company set up to manage the partner funds' pooled investments.

The Partner Funds and LGPS Central Ltd work collaboratively to develop pooled investment approaches which meet LGPS pooling requirements and benefits, Partner Fund strategic asset allocation aims in line with regulation and guiding principles, holding LGPS Central Ltd to account and meeting FCA requirements.

The Fund recognises the potential conflict posed by its involvement in the pool with LGPS Central and specific governance arrangements have therefore been established reflecting each Partner Fund's role as shareholder and client of LGPS Central. These are managed through the following forums:

**The Shareholder Forum** – The Forum oversees the operation and performance of LGPS Central and represents the ownership rights and interests of the shareholding Councils. The Forum is independent of LGPS Central Ltd, and its meetings are separate from Company meetings and enshrined within a Shareholders' Agreement.

**The Joint Committee** – This Committee provides a public forum for shareholding Councils to provide oversight of the delivery of the objectives of the Pool, the delivery client services, the delivery against its Business Plan and to deal with common investor issues. The Company's investment performance and capability is overseen on a day-to-day basis by senior fund officers via a Practitioner's Advisory Forum and, on a bi-annual basis, by this Committee. Agenda's and minutes for the Joint Committee can be found [here](#).

The Chairman of the Local Pension Committee acts as the Fund's representative at both the Shareholders Forum and the Joint Committee and reports back to the Local Pension Committee as appropriate.

The Fund's [Investment Strategy Statement](#) sets out the Fund's approach to pooling and the Committee and Board receives regular updates on the work of LGPS Central to enable Members to oversee and scrutinise its operations as set out in their respective Terms of References.

The Government consulted in late 2024 on potential 'Fit for the Future' proposals which would mean significant changes to the Fund, LPC and LGPS Central will interact. The outcome was reported in June 2025 and will contain key strands of work for the Fund over the forthcoming 2025/26 year. This will include a shareholder, client and company governance review and look at how the Fund can transition all assets by the proposed March 2026 deadline.

## Training

A major factor in the governance arrangements of the Fund is to ensure that the Committee and the Board members and officers have the relevant skills and knowledge through application of the CIPFA Knowledge and Skills Framework and are compliant with the General code of practice requirements.

The Fund reviewed its Training Policy in 2024. The Policy was approved by the Committee and applies to all members of the Committee, Board, and senior officers involved in the management and administration of the Fund and recognises that this is necessary to ensure they are best placed to make well-informed decisions and, consequently, will be able to comply with the increased requirements of The Pensions Regulator (TPR) and the overarching governance requirements of the scheme.

The Policy has regard to relevant codes of practice and guidelines issued by TPR, CIPFA, the training needs of the Committee and Board and the Fund's current priorities. A copy of the Fund's Training Policy can be found [here](#).

All Members are required to undertake induction training prior to taking up their role and are provided with an Information Pack including all relevant reading material to keep them up to date with pensions issues. Arrangements are also made for further regular training which is delivered through various means including in-house structured training events, conferences, training delivered at meetings, as well as briefings and research material.

Given there have been a number of recent changes both within the LGPS, and externally in the broader pensions environment, all Committee and Board Members are also required to complete training modules on Hymans Robertson Aspire Website within six months of appointment. Other training is also available through the Pension Regulator, and other external training as held by the Scheme Advisory Board, Local Government Association, Hymans Robertson as well as LGPS Central at its RI Summit.

The Fund invests significant resources into the development of its Committee and Board members, firmly believing that the benefits over the long term are essential to the effective governance and management of the Fund. The Fund further encourages Members to attend external events such as:

- The Pension Fundamentals
- LGPS Central Stakeholder events
- LGA Governance Conference

The CIPFA requirement for continuous professional development for the Fund's s151 Officer now includes a regular LGPS element. This requirement applies to the s151 Officer for the Council. The Fund has complied fully with this requirement.

## Evidencing Standards of Training

In accordance with the Fund's Training Policy, training undertaken by members of the Committee and Board is monitored, recorded and reported to each body. Details for the 2024/245 period in relation to the Committee and Investment Sub-Committee, are at [Appendix D](#). The Board's training is set out within its [Annual Report](#).

Committee and Board Members' subject knowledge is assessed on an annual basis through the completion of a self-evaluation form. The results are analysed, and any gaps identified are addressed as part of individual member training plans, this was reported to January's and April's Committee and Board respectively. Targeted training is provided that is timely and directly relevant to items considered by the Committee and Board. This included asset class training ahead of the Fund's Strategic Asset Allocation review and training provided from LGPS Central on responsible investment, climate and stewardship for Committee members.

Officers involved in the management and administration of the Fund are set annual objectives which will include an element of personal development. These objectives are monitored as part of each individual's annual appraisal.

### Hymans Aspire Learning Training

The Fund introduced the Hymans Aspire Learning Academy during November 2021, which was updated in June 2023, and was designed to support the training needs of the Committee, Board and Fund Officers and supplements the Fund's own training plan. It consists of a series of video presentations with supplemental learning material and quizzes. Over 2024 officers hosted in-person training sessions to cover the key modules and allow for discussion. The records of training for the Committee from April 2024 to March 2025 is also attached to this report at [Appendix D](#). Records for Board Members are contained in its [Annual Report](#) [To follow]. Previous recorded training is available in past annual reports.

## Management of Conflicts of Interest

Leicestershire County Council recognises its dual role as an employer participating in the Fund and as the Administering Authority legally tasked with the management of the Fund can create the potential for Conflicts of Interest. It is important that these potential conflicts are managed in order to ensure that no actual or perceived conflict arises and that all of the Fund's employers are treated fairly and equitably. The Fund manages this risk through its Conflict-of-Interest Policy that was reviewed and approved March 2025. The Policy and other related policies for the management of the Fund can be viewed [here](#).

Ultimately the Fund is run for the benefit of its members and on behalf of all its employers. For that reason, the Fund's finances are managed independently from Leicestershire County Council. The LGPS Senior Officer reviews the budget independently, taking into account the full need of the service. The Budget and Business Plan is then considered by the Board before seeking approval by the Committee. Any spending controls in place for the County Council do not apply to the Fund, though the Fund is mindful of the need to manage costs to minimise the financial burden on scheme employers.

Members of the Committee and Board and key officers involved with the Fund are required to complete a Conflict of Interest form upon appointment and are available for viewing online [here](#). At each meeting members are also asked to declare any interest in items which they are due to consider, and any declarations are recorded in the minutes of that meeting. Where conflicts arise, these are managed in line with the Policy.

## Other key elements of governance

- Business planning and budget setting - The Fund operates a business plan which sets out the priorities for the Fund's services which is approved annually by the Local Pension Committee, with the oversight of the Pension Board. It is comprehensively reviewed, updated and agreed by the Committee before the start of each financial year. If necessary, the plan is reviewed and updated on a more frequent basis. The latest business plan and budget is publicly available [here](#).

The business plan takes into account the risks facing the Fund, performance of the Fund (including workloads) and anticipated regulatory changes. The business plan also includes the Fund's budget. Resource requirements (including staff recruitment, procurement, and other specialist services) are determined by the requirements of the Fund's business plan. The business plan also sets out the Key Performance Indicators (KPIs) which will be used to monitor progress against the business plan, and the Board monitor it on a quarterly basis.

Progress against the business plan, including actual spend, is monitored by the Committee on a regular basis and published within the Fund's Annual Accounts.

- Service Delivery - The Fund publishes an Administration and Communication Strategy which sets out how it will deliver the administration of the Scheme. The Strategy includes:
- details of the structures and processes in place for the delivery of the pension administration function.
  - expected levels of performance for the delivery of key Fund and employer functions.
  - the Fund's approach to training and development of staff.
  - the Fund's approach to the use of technology in pension administration.

The policy can be viewed [here](#).



## Financial Performance

The LGPS is a defined benefit scheme providing benefits to scheme members according to salary and length of service. The benefits within the scheme are determined by regulation and guaranteed by statute. The Fund exists to help defray the cost of paying pension benefits. This following section provides a range of high-level information on the Funds key financial performance metric for the year.

### Income

Contributions to the pension scheme are made by both employees and employers. Employee contributions are set at a national level adjusted on 1 April each year. An individual's contribution rate is determined by their pensionable pay. Any new employee is automatically brought into the scheme unless they opt out. Employer contribution rates are assessed at the triennial valuation and set based on each employer's individual liabilities.

There were a small number of incidences of late payment of contributions by employers over the year, and these were exclusively because of administrative failings on their part. On each occasion the employer was reminded of their responsibilities, however, it was not felt necessary to levy interest on overdue contributions. Employer contributions ranged from 0% to 35.6% with the average employer rate being 26.9%.

### Expenditure

Administrative costs (includes investment management costs and transaction fees) were £51.5m for the year compared to £54.4m in the previous year (2023/24). Whilst this total has remained overall constant, there was a notable increase in transaction fees owing to steps taken to rebalance the fund's portfolio of investments in line with the Strategic Asset Allocation. This increase was offset by a large decrease in performance fees as expected, due to the relative performance of different investments during the year, and in part due to a move away from some performance fee-charging managers in line with the rebalancing activity. Action was taken during the year to reduce investment management costs where there was an opportunity to do so. There were no material movements in non-investment assets and liabilities.

### Cash flow

The general trend of overall net cash flows is monitored, whether these are derived from investment or non-investment related sources. Non-investment cash flows were positive by £47.6m in 2024/25, compared to £73.4m in 2023/24. In addition, the Fund received investment income of £117.6m. In the context of the Funds £7billion of assets, the cash flow movements are not material. Any short-term cash surpluses or shortfall can be managed through the funds passive investments that have good levels of liquidity.

Cash flows are unlikely to reduce in the near future. Benefits paid are increasing, due to increasing numbers of pensioners and inflation-linked annual increases, the value of this increase is offset by the increasing rate of employers' contribution. In future years this could result in a reduction in the available cashflow and will require monitoring. The Fund also

has significant investments in accumulation funds where the investment income is reinvested rather than distributed, and these could, if required, be changed to income producing funds.

The overall impact of a strong positive cash flow is that the Fund has flexibility in the selection of investments and fewer restrictions due to liquidity concerns. There are strong controls in place for ensuring that all income due is received and that benefits are not overpaid.

Details of contributions in and payments out of the Fund are shown below:

<b>2023/24</b>	<b>2024/25</b>
<b>£m Payments in:</b>	<b>£m</b>
(233.9) Employer Contributions	(246.7)
(54.3) Member Contributions	(56.8)
<u>(8.1)</u> Transfers in from other pension funds	<u>(6.8)</u>
<b>(296.3) Total Inflows</b>	<b>(310.3)</b>
<b>Payments out:</b>	
163.3 Pensions	180.6
39.2 Lump Sum Retirement Benefits	54.8
4.3 Lump Sum Death Benefits	6.4
<u>16.1</u> Payments to and on Account of Leavers	<u>20.9</u>
<b>222.9 Total Outflows</b>	<b>262.7</b>
<b>(73.4) Net Cash (inflows)</b>	<b>(47.6)</b>

2024/25 Performance Vs Budget

The outturn for 2024/25 was:

Heading	2023/24 Actual	2024/25 Budget	Actual 2024/25	2024/25 Variance
	£000s	£000s	£000s	£000s
<b>Investment Management Expense:</b>				
o Management	27,968	27,518	31,736	4,218
o Transaction	13,251	7,087	8,815	1,728
o Performance	9,268	10,000	6,369	(3,631)
<b>Sub Total</b>	<b>50,487</b>	<b>44,605</b>	<b>46,920</b>	<b>2,315</b>
<b>LGPS Central costs</b>	<b>898</b>	<b>1,298</b>	<b>1,510</b>	<b>212</b>
<b>Staffing</b>	<b>1,776</b>	<b>1,848</b>	<b>1,829</b>	<b>(19)</b>
<b>IT costs</b>	<b>476</b>	<b>530</b>	<b>442</b>	<b>(88)</b>



## Pension Fund Accounts (Notes)

<b>Actuarial costs</b>	97	150	197	47
<b>Support Services/Other</b>	690	650	640	(10)
<b>Total</b>	<b>54,424</b>	<b>49,081</b>	<b>51,538</b>	<b>2,457</b>

## Cashflow and Forecasting

Due to the positive cash flow the monitoring is focused on making investments to keep the variance to the strategic asset allocation as low as possible. An overview of the Funds cashflow and forecasting approach is shown in the table below.

Cash Flow	£ millions	Forecast approach
Opening Cash Balance 01 April 2024	<b>511.7</b>	
Net investment activity	(14.9)	Significant underlying activity, purchases of £0.9billion and sales of £0.9billion reflecting underlying manager transactions and Fund level strategic rebalancing.
Currency hedge profit or loss	19.0	Dependent upon relative currency performance and Aegon's decisions. Difficult to forecast and necessitates the holding of a cash buffer.
Administration oversight and governance expenses	(3.4)	This is the Fund administration, oversight and governance expenses. Most investment management fees are embedded in the underlying fund so do not generate a cash flow. Able to make good level of prediction.
Investment income	117.6	Income paid to the Fund primarily from infrastructure, timberland, private debt, and property mandates, usually a predictable level.
Non-investment income	47.6	Over the reporting year employer and employee contributions have exceeded pension benefit payments made. This net inflow is largely predictable year-on-year with the changes largely dependent on inflation-based pension increases and employer contribution level changes. There is also an impact from transfers in/out of the scheme, which is difficult to forecast.
Change in working capital	3.2	Working capital is the capital the Fund uses for its day-to-day operations and is calculated as current assets minus current liabilities. This is usually predictable as it generally relates to contributions due from employers, investment income, fees, and expenses.
<b>Total increase/(decrease) in cash balance</b>	<b>169.0</b>	The aim to keep cash at a level close to the strategic allocation. Cash balances were lower at the start of the reporting period albeit higher than the strategic allocation due to rebalancing towards private markets which commenced in 2022/23. During 2023/24 and

2024/25 the Fund has made in roads to rebalancing towards private markets and reducing exposure to listed public markets. The Fund expects cash balances to fall as capital calls from commitments made to private markets begin to be called. At the end of the reporting period the Fund held uncalled commitments totalling £960million.

<b>Closing Cash Balance</b>	<b>680.7</b>
<b>31 March 2025</b>	

### Payments, Recoveries, Write-offs, and National Fraud Initiative exercises

The Pension Section, working with Internal Audit, carried out two mortality checking exercises in the year.

In June 2024 it carried out the National Fraud Initiative Mortality Screening Service (MSS) exercise. This identified nine cases, totally £17,862 where pensions continued to be paid to deceased pensioners.

Overpayments totalling £193 for two cases were written off. Invoices were issued for a further two cases, one paid. Another was reclaimed from the ongoing spouse's pension. Four cases remain, totalling £14,420 continue to be pursued.

In early 2025 a further nine cases were identified from the National NFI exercise, totalling £5,637

One overpayment for £747 was recovered. A £321 invoice has been issued for a further case. Death certificates have been requested for two cases. The remaining five cases continue to be pursued by the Pension Service.

No fraud was identified in any of the 18 cases from the two exercises.

# Fund Account, Net Assets Statement and Notes, Actuarial Statement and Statement of Responsibilities

## Leicestershire County Council Pension Fund Accounts 2024/25

(Registration number: 00328856RQ)

### Introduction

The Leicestershire County Council Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Leicestershire County Council.

### General

The scheme is governed by the Public Service Pension Act 2013. The fund 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

It is a contributory defined benefit pension scheme administered by Leicestershire County Council to provide pensions and other benefits for pensionable employees of Leicestershire County Council, Leicester City Council, the district councils in Leicestershire and a range of other scheduled and admitted bodies within the county area. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The fund is overseen by the Leicestershire County Council Pension Fund Committee, which is a committee of Leicestershire County Council.

The Pension Committee consists of ten voting members and three non-voting staff representatives. The voting members are split into five County Council members, two from Leicester City Council and two representing the District Councils and a single member representing Universities. The Committee receives investment advice from the funds Actuary, Hymans Robertson LLP, and meets quarterly to consider relevant issues.

The Director of Corporate Resources is responsible for the preparation of the Pension Fund Statement of Accounts. The Corporate Governance Committee is responsible for approving the financial statements for publishing.

### Membership

Membership of the LGPS is automatic for entitled employees, but employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the fund include the following:

- Scheduled bodies, which are automatically entitled to be members of the fund.
- Admitted bodies, which participate in the fund under the terms of an admission agreement between the fund and the employer. Admitted bodies include voluntary, charitable and similar not for profit organisations, or private contractors undertaking a local authority function following outsourcing to the private sector.

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**Pension Fund Account and Net Assets Statement**


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Membership details are set out below:

	<b>31-Mar-24</b>	<b>31-Mar-25</b>
<b>Number of active employers*</b>	189	195
<b>Number of employees in the scheme (Actives)</b>		
County Council	8,886	8,765
Other employers	31,962	32,218
<b>Total</b>	<b>40,848</b>	<b>40,983</b>
<b>Number of pensioners</b>		
County Council	12,403	12,711
Other employers	21,499	22,966
<b>Total</b>	<b>33,902</b>	<b>35,677</b>
<b>Deferred pensioners</b>		
County Council	9,886	9,686
Other employers	22,364	22,916
<b>Total</b>	<b>32,250</b>	<b>32,602</b>
<b>Total number of members in the pension scheme</b>	<b>107,000</b>	<b>109,262</b>

\*Active employers is defined as employers with one or more actively contributing employees

### **Funding**

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the Local Government Pension Scheme Regulations 2013 and range from 5.5% and 12.5% of pensionable pay for the financial year

## Pension Fund Account and Net Assets Statement

ending 31 March 2025. Employers' contributions are set based on triennial actuarial funding valuations. In 2024/25 the average employer rate was 26.9% of pay (26.8% 2023/24).

### Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based in final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49<sup>th</sup>. Accrued pension is updated annually in line with the Consumer Prices Index. A range of other benefits are also provided including early retirement, disability pensions and death benefits, as explained on the LGPS website, <https://www.leicestershire.gov.uk>.

### Fund Account for the Year Ended 31 March 2025

2023/24 £m		Notes	2024/25 £m
	<b>Contributions</b>		
(233.9)	Employer Contributions	6	(246.7)
(54.3)	Member Contributions	6	(56.8)
(8.1)	Transfers in from Other Pension Funds	7	(6.8)
<b>(296.3)</b>	<b>Total Contributions</b>		<b>(310.3)</b>
	<b>Benefits</b>		
163.3	Pensions	8	180.6
39.2	Commutation of Pensions and Lump Sum Retirement Benefits	8	54.8
4.3	Lump Sum Death Benefits	8	6.4
16.1	Payments to and on Account of Leavers	9	20.9
<b>222.9</b>	<b>Total Benefits</b>		<b>262.7</b>
<b>(73.4)</b>	<b>Net (Additions)/Withdrawals from Dealings with Members</b>		<b>(47.6)</b>
54.4	Management Expenses	10	51.5
<b>(19.0)</b>	<b>Net (Additions)/Withdrawals Including Fund Management Expenses</b>		<b>4.0</b>
	<b>Returns on investments</b>		
(75.5)	Investment income	11	(117.6)
(522.7)	(Profit) and Losses on Disposal of Investments and Changes in Value of Investments	12	(192.5)
<b>(598.2)</b>	<b>Net Returns on Investments (Sub Total)</b>		<b>(310.1)</b>
<b>(617.2)</b>	<b>Net (Increase) / Decrease in the Net Assets Available for Benefits fund During the Year</b>		<b>(306.1)</b>
	Net assets of the scheme		
(5,774.3)	Opening		(6,391.5)
<b>(6,391.5)</b>	<b>Net assets of the scheme Closing</b>		<b>(6,697.6)</b>

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**Pension Fund Account and Net Assets Statement**


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**Net Assets Statement as at 31 March 2025**

<b>2023/24 £m</b>		<b>Notes</b>	<b>2024/25 £m</b>
6,377.00	Investment assets	12	6,687.4
(2.1)	Investment liabilities	12	(3.6)
<b>6,374.9</b>			<b>6,683.8</b>
24.8	Current Assets	15	26.5
(8.2)	Current Liabilities	15	(12.8)
<b>6,391.5</b>	<b>Net Assets of the Fund at 31 March</b>		<b>6,697.6</b>

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Council. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position on the Scheme, which does take account of such obligations, is set out in the Actuary's Report on page 117.

The introduction on pages 85 to 86 and the notes on pages 88 to 116 form part of the financial statements.

## Notes to the Accounts

### 1. Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2024/25 financial year and its position as at 31 March 2025. The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The Code requires disclosure of any accounting standards issued but not yet adopted. No such accounting standards have been identified for 2024/25. The following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom:

- The effect of changes in Foreign Exchange rate (amendment to IAS21).
- IFRS 17 Insurance contracts replaces IFRS 4.

These changes are not expected to have a material impact on the Pension Fund's statements of accounts.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take account of the actuarial present value of promised retirement benefits. The Fund has disclosed this information, by appending a copy of the actuary's report to the Pension Fund accounts.

The Accounts have been prepared on a going concern basis.

### 2. Accounting Policies

The following principal accounting policies, have been adopted in the preparation of the financial statements:

## Fund Account – Revenue Recognition

### Contribution Income

Normal contributions are accounted for on an accruals basis as follows:

- Employee contribution rates are set in accordance with LGPS regulations, using common percentage rates for all schemes which rise according to pensionable pay.
- Employer contributions are set at the percentage rate recommended by the fund actuary for the period to which they relate.

Employer deficit funding contributions are accounted for on the basis advised by the fund actuary in the rates and adjustment certificate issued to the relevant employing body. Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset.

### Transfers to and from other Schemes

Transfers in and out relate to members who have either joined or left the fund. Individual transfers in/out are accounted for when received or paid. Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In, shown in Note 7. Bulk (group) transfers are accounted for in accordance with the terms of the transfer agreement.

### Investments

Interest Income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination.

Dividend Income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Property related income consists primarily of rental income. Rental income from operating leases on properties owned by the fund is recognised on a straight-line basis over the terms of the lease.

Changes in the value of investments are recognised as income and comprise all realised and unrealised profit/ losses during the year.

## Fund Account – Expense Items

### Benefits Payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.



**Taxation**

The fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

**Management Expenses**

The fund discloses management expenses for administration, oversight and governance, and investment management. The disclosures comply with the CIPFA guidance 'Accounting for Local Government Pension Scheme Management Expenses (2016)'.

All staff costs of the pensions administration team are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.

All staff costs associated with governance and oversight are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.

Investment management expenses are charged directly to the Fund as part of management expenses and are not included in, or netted off from, the reported return on investments. Where fees are netted off quarterly valuations by investment managers, these expenses are shown separately in Note 10A and grossed up to increase the change in value of investments.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

**Net Assets Statement****Investments**

Equities traded through the Stock Exchange Electronic Trading Service (SETS) are valued at bid price. Other quoted securities and financial futures are valued at the last traded price. Private equity investments and unquoted securities are valued by the fund managers at the year-end bid price, or if unavailable in accordance with generally accepted guidelines. Accrued interest is excluded from the market value of fixed interest securities and index-linked securities but is included in investment income receivable.

Pooled Investment Vehicle units are valued at either the closing bid prices or the closing single price reported by the relevant investment managers, which reflect the accepted market value of the underlying assets.

Private equity, global infrastructure and hedge fund valuations are based on valuations provided by the managers at the year-end date. If valuations at the year-end are not produced by the manager, the latest available valuation is adjusted for cash flows in the intervening period.

Property investments are stated at open market value based on an expert valuation provided by a RICS registered valuer and in accordance with RICS guidelines.

Options are valued at their mark to market value. Forward foreign exchange contracts outstanding at the year-end are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract. The investment reconciliation table in Note 12 discloses the forward foreign exchange settled trades as net receipts and payments.

### **Foreign Currencies**

Assets and liabilities in foreign currencies are expressed in sterling at the rates of exchange ruling at the year-end. Income from overseas investments is translated at a rate that is relevant at the time of the receipt of the income or the exchange rate at the year end, whichever comes first.

Surpluses and deficits arising on conversion or translation are dealt with as part of the change in market value of investments.

### **Cash and Cash Equivalents**

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

### **Financial Assets**

Financial Assets classes as amortised cost are carried in the net assets statement at amortised cost, i.e. the outstanding principal as at the year-end date.

### **Financial Liabilities**

A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. The fund recognises financial liabilities relating to investment trading at fair value as at the reporting date, and any gains and losses arising from changes in the fair value of the liability between contract date, the year-end date and the eventual settlement date are recognised in the fund account as part of the Change in Value of Investments. Other financial liabilities classed as amortised cost are carried at amortised cost, i.e. the amount carried in the net asset statement is the outstanding principal repayable plus accrued interest.

### **Actuarial Present Value of Promised Retirement Benefits**

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS26 and relevant actuarial standards. As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by appending a copy of the report to the Pension Fund Accounts.

### **Additional Voluntary Contributions**

The Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund. AVC's are not included in the accounts in accordance with Section 4(1)(b) of the Local Government

Pension Scheme (Management and Investment of Funds) Regulations 2016, but are disclosed for information in Note 26.

### Contingent Assets and Contingent Liabilities

A contingent asset arises where an event has taken place giving rise to a plausible asset whose existence will only be confirmed or otherwise by the occurrence of future events.

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that is not possible at the balance sheet date to measure the value of the financial obligation reliably.

Contingent assets and liabilities are not recognised in the net asset statement but are disclosed by way of narrative in the notes.

### Directly Held Property

The fund's property portfolio includes a number of directly owned properties which are leased commercially to various tenants. The fund has determined that these contracts all constitute operating lease arrangements under IAS 17 and the Code, and therefore the properties are retained on the net assets statement at fair value. Rental income is recognised in the fund account on a straight-line basis over the life of the lease.

## 3. Critical Judgements in Applying Accounting Policies

It has not been necessary to make any material critical judgements in applying the accounting policies.

## 4. Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts. Estimates and assumptions take account of historic experience, current trends and future expectations, however actual outcomes could be different from the assumptions and estimates made. The items in the net asset statement for which there is a significant risk of material adjustment in the following year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Private Equity Investments	Private equity investments are valued at fair value. Investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Private equity investments are valued at £390.9m in the financial statements. It would not be unreasonable for it to move by +/- 5% the value of the investment would increase or decrease by £19.5m

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Freehold, Leasehold Property and Pooled Property Funds	Valuations techniques are used to determine the carrying amount of pooled property funds and directly held freehold property. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.	The carrying value of all property held by the fund is £448.5m. Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property based investments. If this was under or overstated by 5% the value of the investment would increase or decrease by £22.4m.
Pooled Bond and Debt Funds (including Private Debt Funds)	Pooled bond and debt funds are valued on a net asset basis in accordance with each investment managers valuation policy. Where possible these valuation techniques are based on observable market data but where it is not possible management uses the best data available. Private debt funds are valued in accordance with each investment managers valuation policy. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	Pooled bond and debt funds are valued at £494.5m in the financial statements. It would not be unreasonable for it to move by +/- 5% the value of the investment would increase or decrease by £24.7m.
Infrastructure Investments	Infrastructure funds are valued in accordance with each investment managers valuation policy. Where possible these valuation techniques are based on observable data but where it is not possible management uses the best data available.	Infrastructure funds are valued at £623.7m in the financial statements. It would not be unreasonable for it to move by +/- 5% the value of the investment would increase or decrease by £31.2m.
Timberland Investment	Investments are carried at net asset value as determined by the General Partner. In most cases fair value is derived from the audited financial statements provided by an underlying fund manager. In circumstances where audited financial statements are not available, the valuations are then derived from unaudited quarterly reports.	Timberland funds are valued at £116.0m in the financial statements. It would not be unreasonable for it to move by +/- 5% the value of the investment would increase or decrease by £5.8m

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pooled commodity funds	Pooled commodity funds are valued on a net asset basis in accordance with each investment managers valuation policy. Where possible these valuation techniques are based on observable market data but where it is not possible management relies on the best data available	Pooled commodity funds are valued at £17.9m in the financial statements. It would not be unreasonable for it to move by +/- 5% the value of the investment would increase or decrease by £0.9m.

## 5. Events after the Reporting Date

The Statement of Accounts was authorised for issue by the Director of Corporate Resources on 24 November 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information (where known). There are no material events after the reporting date that would require an adjustment or additional disclosure to the accounts.

## 6. Contributions

2023/24 £m		2024/25 £m
	<b>Employers</b>	
222.8	Normal	233.9
6.9	Deficit Repair	7.0
1.5	Advanced payments for early retirements	3.3
2.7	Additional payments for ill-health retirements	2.5
	<b>Members</b>	
53.9	Normal	56.5
0.4	Purchase of additional benefits	0.3
<b>288.2</b>	<b>Total</b>	<b>303.5</b>

Additional payments for early retirements are paid by employers, once calculated and requested by the Fund, to reimburse the Pension Fund for the cost to the Fund of employees who are allowed to retire before their normal retirement age. Additional payments for ill-health retirements are generally paid by the insurance company, where the employer has taken out ill-health insurance and the claim has been accepted as valid.

On occasions employers without ill-health insurance are charged for at least part of the ill-health costs. Purchase of additional benefits by members allows either extra service to be credited on top of any service earned via employment or an additional annual pension amount in cash to be paid following retirement. Termination valuation payments relate to the actuarially assessed deficit within an employer's sub-fund when their last active employee leaves.

The contributions can be analysed by the type of Member Body as follows:

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**Pension Fund Accounts (Notes)**


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<b>2023/24 £m</b>		<b>2024/25 £m</b>
71.8	Leicestershire County Council	75.1
204.4	Scheduled bodies	215.3
12.0	Admitted bodies	13.1
<b>288.2</b>	<b>Total</b>	<b>303.5</b>

**7. Transfers In**

<b>2023/24 £m</b>		<b>2024/25 £m</b>
8.1	Individual transfers in from other schemes	6.8
<b>8.1</b>	<b>Total</b>	<b>6.8</b>

## 8. Benefits

The benefits paid can be analysed as follows: -

## By Category:

2023/24 £m		2024/25 £m
163.3	Pensions	180.6
39.2	Commutation and lump sum retirement benefits	54.8
4.3	Lump sum death grant	6.4
<b>206.8</b>	<b>Total</b>	<b>241.8</b>

## By type of Employer:

2023/24 £m		2024/25 £m
68.2	Leicestershire County Council	76.2
130.5	Scheduled bodies	155.7
8.1	Admitted bodies	9.9
<b>206.8</b>	<b>Total</b>	<b>241.8</b>

## 9. Payments to and on Account of Leavers

2023/24 £m		2024/25 £m
1.0	Refunds to members leaving the scheme	1.7
15.0	Individual transfers to other schemes	19.2
<b>16.1</b>	<b>Total</b>	<b>20.9</b>

## 10. Management Expenses

2023/24 £m		2024/25 £m
50.8	Investment Management Expenses (Note 10A)	48.1
2.4	Pension Scheme Administration Costs	2.4
1.2	Oversight and Governance Expenses	1.0
<b>54.4</b>	<b>Total</b>	<b>51.5</b>

\*Includes £3.0m of costs recharged by Leicestershire County Council

## 10a. Investment Management Expenses

## By Investment Type:

2024/25 £m	Management Expenses £m	Transactional Costs £m	Performance Related Fees £m	Total £m
Equities	0.4	0.1	0	0.5
Government Bonds	0.5	0.1	0	0.6
Index-linked securities	0.3	0.5	0	0.8
Pooled Investment Vehicles	25.8	5.8	6.4	38.0
Pooled property funds	5.3	2.3	0	7.6
Properties	0.4	0	0	0.4
Cash and currency & other balances	0.3	0	0	0.3
<b>Total</b>	<b>32.9</b>	<b>8.8</b>	<b>6.4</b>	<b>48.1</b>



## Pension Fund Accounts (Notes)

2023/24 £m	Management Expenses £m	Transactional Costs £m	Performance Related Fees £m	Total £m
Equities	0.2	0	0	0.2
Government Bonds	0.4	0.1	0	0.5
Index-linked securities	0.3	(0.2)	0	0.1
Pooled Investment Vehicles	22.7	10.4	9.3	42.4
Pooled property funds	3.7	3.0	0	6.7
Properties	0.3	0	0	0.3
Cash and currency & other balances	0.7	0	0	0.7
<b>Total</b>	<b>28.3</b>	<b>13.3</b>	<b>9.3</b>	<b>50.9</b>

## 11. Investment Income

2023/24 £m		2024/25 £m
0.5	Dividends from equities	1.2
0.9	Income from Government Bonds	0.8
1.5	Income from index-linked securities	2.3
50.3	Income from pooled investment vehicles	84.1
3.6	Net rents from properties	5.0
19.2	Interest on cash or cash equivalents	26.2
(0.6)	Net Currency Profit / (Loss)	(2.1)
<b>75.5</b>	<b>Total</b>	<b>117.6</b>

## 11a. Property Income

2023/24 £m		2024/25 £m
6.9	Rental income	6.0
(3.4)	Direct operating expenses	(1.1)
<b>3.6</b>	<b>Total</b>	<b>5.0</b>

No contingent rents have been recognised as income during the period.

## Pension Fund Accounts (Notes)

## 12. Investments

	Value at 1 April 2024	Purchases at Cost and Derivative Payments	Sales Proceeds and Derivative Receipts	Change In Market Value	Value at 31 March 2025
	£m	£m	£m	£m	£m
Equities	24.1	50.5	(29.0)	1.9	47.5
Government Bonds	53.7	124.8	(124.0)	(0.1)	54.5
Index-linked securities	250.9	209.3	(208.6)	(22.3)	229.3
Pooled investment vehicles	5,436.7	514.5	(569.9)	201.7	5,583.0
Properties	96.0	0	0	(5.6)	90.4
Derivatives contracts	0.4	0.8	(19.8)	15.9	(2.6)
Cash and currency & other investment balances	513.2	167.7	0	0.9	681.8
<b>Total</b>	<b>6,374.9</b>	<b>1,067.7</b>	<b>(951.2)</b>	<b>192.5</b>	<b>6,683.8</b>

	Value at 1 April 2023	Purchase s at Cost and Derivative Payments	Sales Proceeds and Derivative Receipts	Change In Market Value	Value at 31 March 2024
	£m	£m	£m	£m	£m
Equities	20.9	19.2	(16.9)	0.9	24.1
Government Bonds	23.5	70.4	(41.1)	0.9	53.7
Index-linked securities	265.1	114.2	(111.2)	(17.2)	250.9
Pooled investment vehicles	5,206.9	1,653.0	(1,953.0)	529.7	5,436.7
Properties	101.8	0.4	0	(6.2)	96.0
Derivatives contracts	2.7	0	(18.7)	16.5	0.4
Cash and currency & other investment balances	130.4	384.7	0	(1.8)	513.2
<b>Total</b>	<b>5,751.3</b>	<b>2,241.9</b>	<b>(2,141.0)</b>	<b>522.7</b>	<b>6,374.9</b>

The change in the value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

## Pension Fund Accounts (Notes)

The Fund has the following investments which exceed 5% of the total net value of assets:

2023/24 £m		2024/25 £m
811.6	LGPS Central – All World Equity Climate Multi Factor Fund	843.3
636.3	LGPS Central - Global Equity Active Multi Manager Fund	783.1
349.5	LGPS Central – Multi Asset Credit Multi Manager Fund	426.0
701.4	Legal and General All World Equity Index	735.8
391.1	Internally Managed Cash Balances	557.1
<b>2,889.9</b>	<b>Total</b>	<b>3,345.3</b>

2023/24 £m		2024/25 £m
	<b><i>Equities</i></b>	
8.4	UK quoted	15.8
1.3	UK unquoted	1.3
14.4	Overseas quoted	30.4
<b>24.1</b>		<b>47.5</b>
	<b><i>Government Bonds</i></b>	
0.7	UK Government Unquoted	0.7
53.0	Overseas Quoted	53.8
<b>53.7</b>		<b>54.5</b>
	<b><i>Index Linked Securities</i></b>	
250.9	UK quoted	229.3
<b>250.9</b>		<b>229.3</b>
	<b><i>Pooled investment vehicles (unquoted)</i></b>	
315.1	Property funds	358.1
411.0	Private equity	390.9
1,177.2	Bond and debt funds	1,176.7
2,705.1	Equity-based funds	2,758.3
21.9	Commodity-based funds	17.9
124.8	Timberland fund	116.0
11.1	Protection fund	9.9
126.2	Targeted return fund	131.6
544.3	Infrastructure fund	623.7
<b>5,436.7</b>		<b>5,583.0</b>
<b>96.0</b>	<b>Properties UK (Note 14)</b>	<b>90.4</b>
<b>511.7</b>	<b>Cash and currency</b>	<b>680.7</b>
	<b><i>Derivatives contracts</i></b>	
2.4	Forward foreign exchange assets	1.0
(2.1)	Forward foreign exchange liabilities	(3.6)
<b>0.4</b>	<b>Sterling Denominated</b>	<b>(2.6)</b>
<b>1.5</b>	<b>Other Investment Balances</b>	<b>1.1</b>
<b>6,374.9</b>	<b>Total Investments</b>	<b>6,683.8</b>

### 13. Derivatives

The Fund holds derivatives for a number of different reasons. Forward foreign exchange contracts are held to benefit from expected changes in the value of currencies relative to each other. Futures can be held to gain full economic exposure to markets without the requirement to make a full cash investment and can be held to ensure that the Fund's exposures are run efficiently. Options are generally used to express an investment view but can give a much higher economic exposure than is required to be paid for the options – they also ensure that the potential loss is limited to the amount paid for the option.

#### Forward Foreign Exchange Contracts

All forward foreign exchange contracts are classed as 'Over the Counter' and at the year end the net exposure to forward foreign exchange contracts can be summarised as follows:

Settlement	Currency Bought	Local Value Millions	Currency Sold	Local Value Millions	Asset Value £m	Liability Value £m
Within 1 Month	GBP	24.8	EUR	29.5	0.1	0
	GBP	15.0	USD	18.6	0.6	0
	GBP	4.4	AUD	8.9	0.2	0
	GBP	0.6	JPY	113.6	0	0
	GBP	0.3	EUR	0.3	0	0
1 - 3 Months	GBP	12.0	CAD	12.1	0	0
	GBP	128.4	EUR	128.4	0	0
	GBP	16.7	TWD	16.6	0	0
	GBP	21.6	CNY	21.5	0.1	0
	GBP	3.5	HKD	3.5	0	0
	GBP	3.9	SEK	3.9	0	(0.1)
	GBP	37.6	CHF	37.6	0	0
	GBP	775.4	USD	778.7	0	(3.3)
	EUR	3.0	GBP	2.6	0	0
	USD	101.9	GBP	78.7	0	(0.2)
<b>Open forward currency contracts at 31 March 2025</b>					<b>1.0</b>	<b>(3.6)</b>
<b>Net forward currency contracts at 31 March 2025</b>					<b>(2.6)</b>	
Prior Period Comparison:						
<b>Open forward currency contracts at 31 March 2024</b>					<b>2.4</b>	<b>(2.1)</b>
<b>Net forward currency contracts at 31 March 2024</b>					<b>0.4</b>	

## 14. Property Investments

31 March 2024 £m		31 March 2025 £m
80.5	Freehold	79.0
10.8	Long Leasehold (over 50 years unexpired)	6.6
4.6	Medium/Short Leasehold (under 50 years unexpired)	4.8
96.0	<b>Total</b>	<b>90.4</b>

All properties, with the exception of the Fund's farm investment, were valued on an open market basis by Savills (UK) Ltd at 31st March 2025. The Fund's farm was valued on an open market basis by James Forman of Leicestershire County Council. All of the Valuers are Members of the Royal Institute of Chartered Surveyors.

## 14a Property Holdings

31 March 2024 £m		31 March 2025 £m
101.8	<b>Opening Balance</b>	<b>96.0</b>
	Additions:	
0.4	Subsequent Expenditure	0
(6.2)	Net increase/(decrease) in market Value	(5.6)
96.0	<b>Total</b>	<b>90.4</b>

## 15. Current Assets and Liabilities

2023/24 £m		2024/25 £m
20.3	Contributions due from employers	21.5
3.4	Other Debtors	3.3
1.1	Cash Balances	1.7
24.8	<b>Current assets</b>	<b>26.5</b>
(2.6)	Due to Leicestershire County Council	(3.0)
(0.9)	Fund Management Fees Outstanding	(1.1)
(4.7)	Other Creditors	(8.7)
(8.2)	<b>Current liabilities</b>	<b>(12.8)</b>
16.6	<b>Net current assets and liabilities</b>	<b>13.7</b>

## 16. Analysis of Investments by Manager

The Fund employs external investment managers to manage all of its investments apart from an amount of cash and a farm property, which are managed by Leicestershire County Council. This structure ensures that the total Fund performance is not overly influenced by the performance of any one manager.

The market value of investments in the hands of each manager is shown in the table below:-

31 March 2024			31 March 2025	
£m	%		£m	%
<b>Investments Managed by LGPS Central Pool</b>				
811.6	12.7	All World Equity Climate Multi Factor Fund	843.3	12.6
		Global equities multi-manager fund:		
171.7	2.7	<i>Harris</i>	202.2	3.0
245.6	3.9	<i>Schroders</i>	250.6	3.7
219.0	3.4	<i>Union</i>	214.3	3.2
0	0	<i>Longview</i>	116.1	1.7
		Global Active MAC Multi Manager Fund		
172.3	2.7	<i>Western Asset Management</i>	210.5	3.1
177.2	2.8	CTI	215.6	3.2
		Global Active Investment Grade Corporate Bond MMF		
79.7	1.3	<i>Neuberger Berman</i>	95.5	1.4
79.5	1.2	<i>Fidelity</i>	96.5	1.4
184.6	3.0	Emerging market equities multi-manager funds	0	0
63.2	1.0	Global Active Emerging Market Bond MMF	0	0
134.8	2.1	LGPSC Credit Partnership I LP	35.8	0.5
81.5	1.3	LGPS Central Core/Core Plus Infrastructure Partnership LP	143.9	2.2
0	0	LGPS Central Infrastructure Value Opportunistic	2.8	0
53.3	0.8	LGPSC Credit Partnership IV LP	63.9	1.0
33.3	0.5	LGPSC Credit Partnership II LP	158.1	2.4
9.0	0.1	LGPS Central PE Primary Partnership 2018 LP	9.0	0.1
4.8	0.1	LGPS Central PE Primary Partnership 2021 LP	11.7	0.2
0	0	LGPS Central PE Primary Partnership 2023 LP	6.1	1.1
49.1	0.8	LGPS Central UK Direct Property Fund	68.1	1.0
0	0	LGPS Direct Property Portfolio	87.6	1.3
<b>2,570.3</b>	<b>40.4</b>	<b>Sub Total</b>	<b>2831.3</b>	<b>42.4</b>
<b>Investments Managed outside of Pool</b>				
1,063.4	16.9	Legal & General Investment Management Limited	1,122.8	16.8
397.4	6.1	Internally Managed	563.0	8.4
371.5	5.8	Adams Street Partners L.P.	348.5	5.2
346.6	5.4	Aegon Asset Management Limited	333.0	5.0
242.5	3.9	LaSalle Limited	273.4	4.1
200.1	3.1	Partners Group Limited	123.8	1.9
172.9	2.7	Ruffer LLP	199.9	3.0
168.8	2.6	JP Morgan Asset Management (UK) Limited	168.9	2.5
161.2	2.5	IFM Investors (UK) Ltd	169.9	2.5
126.2	2.0	Fulcrum Asset Management	131.6	2.0
124.8	2.0	Stafford Capital Partners Limited	116.1	1.7
108.2	1.6	Colliers Capital UK Limited	0	0
65.6	1.1	Cristofferson, Robb & Company Ltd	57.3	0.9

### Pension Fund Accounts (Notes)

52.1	0.8	Quinbrook	76.5	1.1
50.1	0.8	DTZ Investment Management	49.9	0.7
49.2	0.7	Kravis Kohlberg Roberts & Co. Ltd	41.8	0.6
47.1	0.7	M&G	40.3	0.6
31.5	0.5	Infracapital	19.9	0.3
24.4	0.4	Aberdeen Standard Life Limited	14.6	0.2
1.2	0	Catapult Venture Managers Limited	0.9	0
0	0	<i>Van Lanschot Kempen</i>	0.2	0
<b>3,804.8</b>	<b>59.6</b>	<b>Sub Total</b>	<b>3,852.3</b>	<b>57.5</b>
<b>6,375.0</b>	<b>100.0</b>	<b>Grand Total</b>	<b>6,683.8</b>	<b>100.0</b>

#### 17. Custody of Assets

All the Fund's directly held assets are held by external custodians and are therefore not at risk from the financial failure of any of the Fund's investment managers. Most of the pooled investment funds are registered with administrators that are independent of the investment manager.

#### 18. Operation and Management of fund

Details of how the Fund is administered and managed are included in the Pension Fund Annual Report.

#### 19. Employing bodies and fund members

A full list of all bodies that have active members within the Fund is included in the in the Pensions fund annual report available from the fund website.

#### 20. Fair value – basis of valuation

Unquoted equities in LGPS Central asset pool are valued at cost, as an appropriate estimate of fair value. All other investments are held at fair value in accordance with the requirements of the Code and IFRS 13. The valuation bases are set out below. All assets have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. There has been no change in the valuation techniques used during the year.

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**Pension Fund Accounts (Notes)**


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<b>Description of Asset</b>	<b>Valuation Hierarchy</b>	<b>Basis of valuation</b>	<b>Observable and unobservable inputs</b>	<b>Key sensitivities affecting valuations provided</b>
Market quoted Investments (equities and bonds)	Level 1	Published bid market price ruling on final day of the accounting period	Not required	Not required
Market quoted pooled funds	Level 1	Closing bid price or closing single price at reporting date	Not required	Not required
Forward foreign exchange contracts	Level 1	Market forward exchange rates at reporting date	Not required	Not required
Pooled investment vehicles	Level 2	Fair value based on the weekly market quoted prices of the respective underlying securities	When considering the fair value of assets which are not at the reporting date, the price of a recent transaction for an identical asset provides evidence of fair value	Not Required
Unquoted Equity (including Private Equity, Infrastructure and Timberland)	Level 3	Value is based on the latest investor reports and financial statements provided by the fund managers of the underlying funds, adjusted for transactions arising after the date of such reports.	Earnings before interest, tax, depreciation, and amortisation (EBITDA) multiple, revenue multiple, discount for lack of marketability.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.



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**Pension Fund Accounts (Notes)**


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Private Debt	Level 3	Valued at fair value in accordance with International Valuation Standards and investment managers valuation policy	Comparable valuation of similar assets, EBITDA multiple, Revenue multiple, Discounted cash flows, Enterprise value estimation	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts.
Pooled investment vehicles (including targeted return funds, commodity funds and pooled property funds)	Level 3	Stated at bid price quoted or closing single market price	Net asset value (NAV) based pricing set on a forward pricing basis.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Fund's own reporting date, by changes to expected cash flows, and by any differences between audited and unaudited accounts of the underlying assets.
Freehold and Leasehold Property	Level 3	Stated at open market value based on expert valuation provided by a RICS registered Valuer and in accordance with RICS guidelines.	Existing lease terms and rentals, independent market research, tenant covenant strength, estimated vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or discount rate could affect valuations

**Sensitivity of assets valued at Level 3**

The table below details the Fund's review of financial information as provided by independent advisors. The valuation methods detailed above are likely to be accurate to

## Pension Fund Accounts (Notes)

within the ranges and, as set out below, the consequent potential impact on the closing value of investments at 31 March 2025 and 31 March 2024.

Asset Type	Value at 31 March 2025	Percentage change	Value on increase	Value on decrease
	£m	%	£m	£m
Equities	1.3	27	1.7	0.9
Government Bonds	0.7	5	0.7	0.7
Pooled Investment Vehicles				
- Pooled property funds	358.1	21	433.3	282.9
- Pooled private equity funds	390.8	27	496.3	285.3
- Pooled bond and debt funds	494.5	9	539.0	450.0
- Pooled commodity funds	17.9	19	21.3	14.5
- Pooled timberland fund	116.1	15	133.5	98.7
- Pooled infrastructure fund	623.7	15	717.3	530.1
Properties	90.5	15	104.1	76.9
<b>Total assets available to pay benefits</b>	<b>2,093.6</b>		<b>2,447.2</b>	<b>1,740.0</b>

Asset Type	Value at 31 March 2024	Percentage change	Value on increase	Value on decrease
	£m	%	£m	£m
Equities	1.3	31	1.7	0.9
Government Bonds	0.7	6	0.7	0.7
Pooled Investment Vehicles				

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**Pension Fund Accounts (Notes)**


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- Pooled property funds	315.1	21	381.3	248.9
- Pooled private equity funds	410.9	31	538.3	283.5
- Pooled bond and debt funds	545.2	11	605.2	485.2
- Pooled commodity funds	21.9	19	26.1	17.7
- Pooled targeted return funds	0.0	8	0.0	0.0
- Pooled timberland fund	124.8	14	142.3	107.3
- Pooled infrastructure fund	544.3	14	620.5	468.1
Properties	96.0	16	111.4	80.6
<b>Total assets available to pay benefits</b>	<b>2,060.2</b>		<b>2,427.5</b>	<b>1,692.9</b>

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#### 20a. Valuation of financial instruments and non-financial instruments carried at fair value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of the information used to determine fair values.

##### Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprised quoted equities, quoted fixed interest securities, quoted index-linked securities and quoted pooled investment vehicles where the underlying assets fall into one of these categories.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

##### Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

### Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments, hedge funds and infrastructure, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Leicestershire County Council Pension Fund has invested. These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP.

The values of the investment in hedge funds and infrastructure are based on the net asset value provided by the fund manager. Assurances over the valuation are gained from the independent audit of the value.

The following tables provide an analysis of the financial and non-financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which fair value is observable.

	Quoted market price	Using observable inputs	With significant unobservable inputs	
<b>Values at 31<sup>st</sup> March 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Financial and non-financial assets at fair value	2,779.3	1,132.7	2,093.6	6,005.6
Financial liabilities at fair value	(3.6)	0.0	0.0	(3.6)
<b>Net financial and non-financial assets carried at fair value</b>	<b>2,775.7</b>	<b>1,132.7</b>	<b>2,093.6</b>	<b>6,002.0</b>

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Pension Fund Accounts (Notes)

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The above table excludes cash and cash equivalents of £680.7m and other investment balances of £1.1m which are carried at amortised cost.

	Quoted market price	Using observable inputs	With significant unobservable inputs	
Values at 31 <sup>st</sup> March 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial and non- financial assets at fair value	2,729.3	1,074.5	2,060.2	5,864.0
Financial liabilities at fair value	(2.0)	0	0	(2.0)
<b>Net financial and non- final assets carried at fair value</b>	<b>2,727.3</b>	<b>1,074.5</b>	<b>2,060.2</b>	<b>5,862.0</b>

The above table excludes cash and cash equivalents of £511.6m and other investment balances of £1.5m which are carried at amortised cost.

## Pension Fund Accounts (Notes)

## 20b. Reconciliation of asset held at level 3

	Value at 1 April 2024 £m	Purchas es £m	Sales £m	Realised gains / (losses) £m	Unrealis ed gains or (losses) £m	Value at 31 March 2025 £m
Equities	1.3	0	0	0	0	1.3
Government Bonds	0.7	0	0	0	0	0.7
Pooled Investment Vehicles						
- Pooled property funds	315.1	52.9	(26.7)	6.0	10.8	358.1
- Pooled private equity funds	410.9	33.3	(59.2)	22.2	(16.4)	390.8
- Pooled bond and debt funds	545.2	92.0	(135.2)	16.3	(23.8)	494.5
- Pooled commodity funds	21.9	16.2	(16.2)	(6.1)	2.1	17.9
- Pooled timberland funds	124.8	14.0	(8.9)	1.4	(15.2)	116.1
- Pooled Infrastructure funds	544.3	88.3	(30.7)	9.7	12.1	623.7
Properties	96.0	0	0	0	(5.5)	90.5
<b>Total</b>	<b>2,060. 2</b>	<b>296.7</b>	<b>(276.9)</b>	<b>49.5</b>	<b>(35.9)</b>	<b>2,093.6</b>

	Value at 1 April 2023 £m	Purchas es £m	Sales £m	Realised gains / (losses) £m	Unrealis ed gains or (losses) £m	Value at 31 March 2024 £m
Equities	1.3	0	0	0	0	1.3
Government Bonds	0.7	0	0	0	0	0.7
Pooled Investment Vehicles						
- Pooled property funds	305.7	57.9	(38.7)	12.4	(22.2)	315.1
- Pooled private equity funds	423.2	26.1	(51.6)	29.3	(16.1)	410.9

## Pension Fund Accounts (Notes)

	Value at 1 April 2023	Purchas es	Sales	Realised gains / (losses)	Unrealis ed gains or (losses)	Value at 31 March 2024
- Pooled bond and debt funds	510.0	119.2	(96.2)	25.2	(13.0)	545.2
- Pooled commodity funds	21.3	20.0	(20.7)	(1.1)	2.4	21.9
- Pooled targeted return funds	144.4	0	(148.6)	4.2	0	0
- Pooled timberland funds	126.3	0	(3.1)	0.8	0.8	124.8
- Pooled Infrastructure funds	470.5	97.1	(41.9)	8.9	9.7	544.3
Properties	101.8	0.4	0	0	(6.2)	96.0
<b>Total</b>	<b>2105.2</b>	<b>320.7</b>	<b>(400.8)</b>	<b>79.7</b>	<b>(44.6)</b>	<b>2,060.2</b>

## 21. Classification of Financial Instruments

2023/24				2024/25			
£m				£m			
Fair value throug h profit and loss	Assets at amortise d cost	Liabilitie s at amortise d cost		Fair value through profit and loss	Assets at amortise d cost	Liabilities at amortised cost	
			<b>Financial Assets</b>				
24.1	0	0	Equities	47.5	0	0	
53.7	0	0	Government	54.5	0	0	
250.9	0	0	Index-linked	229.3	0	0	
5,436.7	0	0	Pooled	5,583.0	0	0	
			investment				
2.4	0	0	Derivatives	1.0	0	0	
0	511.7	0	Cash and	0	680.7	0	
			Sundry debtors	0	1.1	0	
			and prepayments				
<b>5,767.8</b>	<b>513.2</b>	<b>0</b>		<b>5,915.2</b>	<b>681.8</b>	<b>0</b>	
			<b>Financial</b>				
(2.1)	0	0	Derivatives	(3.6)	0	0	

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**Pension Fund Accounts (Notes)**


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0	0	(6.4)	Sundry Creditors	0	0	(10.1)
(2.1)	0	(6.4)		(3.6)	0	(10.1)

The value of debtors and creditors reported in the Notes to the Statement of Accounts are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the balance sheet and Notes include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

The following gains and losses are recognised in the Fund Account:

2023/24 £m		2024/25 £m
	<b>Financial Assets</b>	
532.9	Fair value through profit and loss	200.8
	<b>Financial Liabilities</b>	
(2.1)	Fair value through profit and loss	(3.6)
<b>530.8</b>	<b>Total</b>	<b>197.2</b>

All realised gains and losses arise from the sale or disposal of financial assets which have been derecognised in the financial statements. The fund has not entered into any financial guarantees that are required to be accounted for as financial instruments.



## 22. External Audit Fee

2023/24 £		2024/25 £
95,123	Payable in respect of external audit	98,470
<b>95,123</b>	<b>Total</b>	<b>98,470</b>

## 23. Nature and Extent of Risks Arising from Financial Instruments

**Risk and risk management**

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. the promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure that there is sufficient liquidity to meet the Fund's required cash flows. These investment risks are managed as part of the overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with Leicestershire County Council's Local Pension Committee (formerly called the Pension Fund Management Board).

**a) Market risk**

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the Fund's risk management strategy is to identify, manage and control market risk within acceptable parameters, whilst optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, Leicestershire County Council and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund manages these risks via an annual strategy review which ensures that market risk remains within acceptable levels. On occasion equity futures contracts and exchange traded option contracts on individual

securities may be used to manage market risk on investments, and in exceptional circumstances over-the-counter derivative contracts may be used to manage specific aspects of market risk.

### Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such investments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. For all investments held by the Fund, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored to ensure that it is within the limits specified in the Fund's investment strategy.

### Other price risk – sensitivity analysis

Following analysis of historic data and expected investment return movement during the financial year, in consultation with the Fund's investment advisors, Leicestershire County Council has determined that the following movements in market prices risk are reasonably possible for the 2024/25 reporting period:

<b>Asset type</b>	<b>Potential market movements (+/-)</b>
Index Linked Gilts (medium)	7%
Fixed Interest Gilts (medium)	5%
Private equity	27%
Property	15%
Commodities	19%
Global Distressed Debt	14%
Emerging Markets Equity Unhedged	24%
Unlisted Infrastructure Equity	15%
Diversified Growth Fund (medium equity beta)	9%
Multi Asset Credit (sub inv grade)	6%
All World Equity GBP Unhedged	18%
Direct Lending (Private Debt) GBP Hedged	9%
Corporate Short AA Low	4%
Corporate Medium BBB	8%
Asia-Pacific Equity Hedged	19%
European Equity Hedged	18%
US Equity Hedged	19%

Japan Equity Hedged	18%
UK REITs GBP	21%

The potential price changes disclosed above are broadly consistent with one-standard deviation movement in the value of assets. The sensitivities are consistent with the assumptions contained in the annual strategy review and the analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Had the market price of the Fund's investments increased/decreased in line with the above, the change in net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown in the second table):

## Pension Fund Accounts (Notes)

Asset Type	Value at 31 March 2025	Percentage change	Value on increase	Value on decrease
	£m	%	£m	£m
UK equities	17.1	18%	20.2	14.0
Overseas equities	30.4	18%	35.9	24.9
UK Corporate Bonds	0.7	7%	0.7	0.7
Global Government Bonds	283.1	7%	301.8	264.4
Pooled property funds	358.1	21%	433.3	282.9
Pooled private equity funds	390.8	27%	496.3	285.3
Pooled bond and debt funds	1,176.6	8%	1,266.1	1,087.1
Pooled Protection funds	9.9	9%	10.8	9.0
Pooled equity funds	2,758.1	18%	3,254.6	2,261.6
Pooled commodity funds	17.9	19%	21.3	14.5
Pooled targeted return funds	131.6	9%	143.4	119.8
Pooled timberland fund	116.1	15%	133.5	98.7
Pooled infrastructure fund	623.7	15%	717.3	530.1
UK property	90.5	15%	104.1	76.9
Cash and currency	680.7	0%	680.7	680.7
Other investment balances, current assets and current liabilities	(1.5)	0%	(1.5)	(1.5)
<b>Total assets available to pay benefits</b>	<b>6,683.8</b>		<b>7,618.6</b>	<b>5,749.1</b>

## Pension Fund Accounts (Notes)

Asset Type	Value at 31 March 2024	Percenta ge change	Value on increase	Value on decrease
	£m	%	£m	£m
UK equities	9.7	16%	11.3	8.1
Overseas equities	14.4	16%	16.7	12.1
UK Corporate Bonds	0.7	7%	0.7	0.7
Global Government Bonds	303.9	7%	324.6	283.2
Pooled property funds	315.1	21%	381.3	248.9
Pooled private equity funds	410.9	31%	538.3	283.5
Pooled bond and debt funds	1,177.4	9%	1,286.8	1,068.0
Pooled Protection funds	11.1	8%	12.0	10.2
Pooled equity funds	2,705.2	16%	3,151.0	2,259.4
Pooled commodity funds	21.9	19%	26.1	17.7
Pooled targeted return funds	126.2	8%	136.3	116.1
Pooled timberland fund	124.8	14%	142.3	107.3
Pooled infrastructure fund	544.3	14%	620.5	468.1
UK property	96.0	16%	111.4	80.6
Cash and currency	511.6	0%	511.6	511.6
Other investment balances, current assets and current liabilities	1.9	0%	1.9	1.9
<b>Total assets available to pay benefits</b>	<b>6,374.9</b>		<b>7,272.4</b>	<b>5,477.3</b>

### Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These

investments are subject to interest rate risk, which represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not highly exposed to interest rate risk, but monitoring is carried out to ensure that the exposure is close to the agreed asset allocation benchmark. The Fund's direct exposure to interest rate movements as at 31st March 2025 and 31st March 2024 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

<b>As at 31 March 2024 £m</b>	<b>Asset type</b>	<b>As at 31 March 2025 £m</b>
511.6	Cash and Currency	680.7
303.9	Fixed interest securities	283.1
<b>815.5</b>	<b>Total</b>	<b>963.8</b>

### Interest rate risk sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets to pay benefits, A 1% movement in interest rates (100 BPS) is consistent with the level of sensitivity expected within the Fund's asset allocation strategy and the Fund's investment advisors expect that long-term average rates are expected to move less than 100 BPS from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates. The analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances.

## Pension Fund Accounts (Notes)

Exposure to interest rate risk	Carrying amount	Impact of increase	Impact of decrease
		+100 BPS	-100 BPS
	£m	£m	£m
Cash and Currency	680.7	680.7	680.7
Fixed interest securities	283.1	245.1	326.1
<b>Total (as at 31 March 2025)</b>	<b>963.8</b>	<b>925.8</b>	<b>1,006.8</b>

Cash and Currency	511.6	511.6	511.6
Fixed interest securities	303.9	260.9	354.6
<b>Total (as at 31 March 2024)</b>	<b>815.5</b>	<b>772.5</b>	<b>866.2</b>

## Assets exposed to interest rate risk:

Exposure to interest rate risk	Interest receivable	Impact of increase	Impact of decrease
		+100 BPS	-100 BPS
	£m	£m	£m
Cash and Currency	26.2	32.2	20.2
Fixed interest securities	3.1	3.1	3.1
<b>Total (2024/25)</b>	<b>29.3</b>	<b>35.3</b>	<b>23.3</b>

Cash and Currency	19.2	22.4	16.0
Fixed interest securities	2.4	2.4	2.4
<b>Total (2023/24)</b>	<b>21.6</b>	<b>24.8</b>	<b>18.4</b>

### Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk in financial instruments that are denominated in any other currency other than sterling. The Fund holds both monetary and non-monetary assets denominated in currencies other than sterling.

The Fund's currency rate risk is actively managed and the neutral position is to hedge 30% of the exposure back to sterling. The table below summarises the Fund's currency exposure if it was unhedged as at 31st March 2024 and as at the previous period end:

Asset value as at 31 March 2024  £m	Currency exposure – asset type	Asset value as at 31 March 2025  £m
14.4	Overseas equities	30.4
25.3	Overseas government bonds	50.4
978.7	Overseas pooled investment vehicles	957.3
39.8	Overseas cash and currency	51.1
<b>1,058.2</b>	<b>Total overseas assets</b>	<b>1,089.2</b>

### Currency Risk – Sensitivity Analysis



Following analysis of historical data in consultation with the Fund's investment advisors, it is considered that the likely volatility associated with foreign exchange rate movements is 6.3% (as measured by one standard deviation).

An 6.3% fluctuation in the currency is considered reasonable based on the Fund advisor's analysis of the long-term historical movements in the month-end exchange rates over a rolling 36-month period. This analysis assumes that all other variables, in particular interest rates, remain constant.

An 6.3% strengthening/weakening of the pound against the various currencies in which the fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Current exposure – asset type	Asset value as at 31 March 2025	Change to net assets available to pay benefits	
	£m	6.3% £m	-6.3% £m
Overseas equities	30.4	32.3	28.5
Overseas government bonds	50.4	53.6	47.2
Overseas pooled investment vehicles	957.3	1,018.0	896.6
Overseas cash and currency	51.1	54.3	47.9
<b>Total change in assets available</b>	<b>1,089.2</b>	<b>1,158.2</b>	<b>1,020.2</b>

Current exposure – asset type	Asset value as at 31 March 2024	Change to net assets available to pay benefits	
	£m	8.9% £m	-8.9% £m
Overseas equities	14.4	15.7	13.1
Overseas government bonds	25.3	27.6	23.0
Overseas pooled investment vehicles	978.7	1,065.8	891.6
Overseas cash and currency	39.8	43.3	36.3
<b>Total change in assets available</b>	<b>1,058.2</b>	<b>1,152.4</b>	<b>964.0</b>

**b) Credit Risk**

Credit risk represents the risk that the counterparty to a transaction or financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market value of investments generally reflects an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised ratings agency.

Deposits are not made with banks and financial institutions unless they are rated independently and have a high credit rating. Many of the Fund's investment managers use the money market fund run by the Fund's custodian to deposit any cash within their portfolios, although one manager (Kames Capital) lends cash directly to individual counterparties in the London money markets. Any cash held directly by the Fund is deposited in an Aberdeen Standard Life Money Market Fund.

The Fund believes it has managed its exposure to credit risk and has never had any experience of default of uncollectible deposits. The Fund's cash holding at 31st March 2025 was £680.7m (31st March 2024: £511.6m).

### **c) Liquidity Risk**

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments. All of the Fund's cash holdings are available for immediate access, although on some occasions this will involve withdrawing cash balances from the portfolios of investment managers.

The Fund is allowed to borrow to meet short-term cash flow requirements, although this is an option that is only likely to be used in exceptional circumstances.

The Fund defines liquid assets as assets that can be converted to cash within three months. Illiquid assets are those assets which will take longer than three months to convert to cash. As at 31st March 2025 the value of illiquid assets (considered to be the Fund's investments in property, hedge funds, private equity, timberland and infrastructure) was £1.6bn, which represented 24% of total Fund assets. (31st March 2024: £1.5bn, which represented 23% of total Fund assets).

The Fund remains cash flow positive for non-investment related items so there is no requirement to produce detailed cash flow forecasts. All investment related cash flows are known about sufficiently far in advance that they can be covered by taking action in a manner that is both cost-effective and in line with the Fund's investment strategy. All financial liabilities at 31st March 2025 are due within one year.

### **Refinancing Risk**

The key risk is that the Fund will be forced to sell a significant proportion of its financial instruments at a time of unfavourable interest rates, but this appears a highly unlikely scenario. The Fund's investment strategy and the structure of its portfolios have sufficient flexibility to ensure that any required sales are considered to be the ones that are in the best financial interests of the Fund at that time. There are no financial instruments that have a refinancing

risk as part of the Fund's treasury management and investment strategies.

### **Securities Lending**

The Fund ceased to take part in securities lending activities towards the end of the 2017/18 financial year and there was no stock on loan at 31 March 2025.

### **Reputational Risk**

The Fund's prudent approach to the collective risks listed above and through best practice in corporate governance ensures that reputational risk is kept to a minimum.

## **24. Related Party Transactions**

Leicestershire County Council (LCC) is the administering authority for the Local Government Pension Scheme (LGPS) within Leicestershire and is one of the major employers within the scheme. Information regarding key management personnel is provided within the main accounts of Leicestershire County Council. Members and officers of the Council involved in managing the Fund are allowed to be members of the LGPS. All transactions between Leicestershire County Council and the Fund and all benefit payments from the Fund are in accordance with the regulations governing the LGPS. There are no transactions therefore that are made on a different basis from those with non-related parties.

During the reporting period LCC incurred costs of £3.0m in relation to administration and management of the Fund, the full amount has been recharged to the Fund, and is recognised in the expenses outlined in note 10 above. As at the 31 March 2025 £3.0m of this was a creditor balance in the Fund accounts. Contributions of £75.1m were receivable from LCC during 2024/25 (£71.8m 2023/24) of which £5.7m was still outstanding at 31 March 2025 (£5.6m at 31 March 2024).

LGPS Central Ltd has been established to manage, on a pooled basis, investment assets of nine Local Government Pension Schemes across the Midlands. It is jointly owned in equal amounts by the eight Administering Authorities participating in the Pool. £1.3m is invested in the share capital and £0.7m in a corporate bond with LGPS Central Ltd.

During 2024/25 a total of £1.2m (£1.7m 2023/24) was payable to LGPS Central Ltd for governance, operator and product development fees. Of these £0.3m was a creditor balance at the year end. As at 31 March 2025, £2.8bn of LCC LGPS investments were managed by LGPS Central Ltd (£2.6bn as at 31 March 2024).

## 25. Contingent Liabilities and Contractual Commitments

When a member has left the Pension Fund before accruing sufficient service to qualify for a benefit from the scheme, they may choose either a refund of contributions or a transfer value to another pension fund. There are a significant number of these leavers who have not taken either of these options and as their ultimate choice is unknown, it is not possible to reliably estimate a liability. The impact of these 'frozen refunds' has, however, been considered in the calculation of the actuarial liabilities of the fund.

If all of these individuals choose to take a refund of contributions the cost to the Fund will be around £3m, although the statutory requirement of the Fund to pay interest to some members would increase this figure. Should all of the members opt to transfer to another scheme the cost will be considerably higher.

At 31<sup>st</sup> March 2025, the Fund had the following contractual commitments: -

	31-Mar-24 £m	31-Mar-25 £m
Patria (formerly Aberdeen Standard Life Capital SOF III)	8.4	7.5
Adams Street Partners L.P.	69.8	125.6
Infracapital Greenfield Partners I Fund	1.8	0.7
M & G Debt Opportunities Funds IV	0.8	1.9
KKR Global Infrastructure	7.2	6.0
Stafford International Timberland & Carbon Offset Funds	53.3	38.3
LGPS Central PE Primary Partnership 2018 LP	1.8	1.5
LGPSC Credit Partnership IV	60.8	47.1
LGPSC Credit Partnership II LP	106.8	83.0
LGPSC Credit Partnership I LP	29.1	27.7
LGPS Central Core/Core Plus Infrastructure Partnership LP	52.9	96.4
LGPS Central PE Primary Partnership 2021 LP	24.9	19.3
LGPS Central PE Primary Partnership 2023 LP	40.0	73.7
LGPS Central UK Direct Property	69.3	51.0
LGPS Central Value Add /Opp Infrastructure Partnership	0.0	27.2
LGPS Central Low Return 23/24	0.0	180.0
LGPS Central Real assets 23/24	0.0	100.0
CRC Capital Release Fund VI	0.0	32.0
Quinbrook Infrastructure Partners	46.9	30.9
Partners Group Multi Asset Credit VI and VII	11.7	9.5
<b>Total</b>	<b>585.5</b>	<b>959.5</b>

The fund is aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case and considers that there is potential for the outcome of this case to have an impact on Leicestershire County Council Pension Fund. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case, the judge ruled

that alterations to the scheme rules were void and ineffective due to the absence of this written actuarial confirmation. The case was taken to the Court of Appeal, and the original ruling was upheld in July 2024.

As a result, there may be a further liability to the Employer's share of Leicestershire County Council Pension Fund for benefits that were reduced by previous amendments, if those amendments prove invalid. The Government Actuary's Department bulletin in November 2024 states that HM Treasury does not believe the Virgin Media Case expressly addresses whether confirmation is required for public service pension schemes. Their view is that the relevant amendments in the LGPS would have been made by legislation and therefore would remain valid until revoked or repealed by subsequent legislation or declared void by a court. At this point, it is therefore not possible to estimate the potential impact, if any, on Leicestershire County Council Pension Fund.

The Government will therefore introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. On 2<sup>nd</sup> September 2025, the Government published amendments to the Pension Schemes Bill to allow the retrospective validation of amendments which may have otherwise been invalid, this followed the Court of Appeal's decision in the Virgin Media case.

#### 25a. Key Management Personnel

The fund has identified the Director of Corporate Resources (LCC) and the Assistant Director Finance, Strategic Property and Commissioning (LCC) as key management personnel with the authority and responsibility to control or exercise significant influence over the financial and reporting decisions of the fund. The combined compensation for these officers attributable to Leicestershire County Council Pension Fund is shown below:

2023/24		2024/25
£000s		£000s
27.1	Short-term benefits	27.2
8.0	Pension contributions	8.0
<b>35.1</b>	<b>Total</b>	<b>35.2</b>

## 26. Additional Voluntary Contributions (AVC's)

The Fund has an arrangement with Prudential whereby additional contributions can be paid to them for investment, with the intention that the accumulated value will be used to purchase additional retirement benefits. AVCs are not included in the pension fund accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. During 2024/25 £3.8m in contributions were paid to Prudential. The capital value of all AVC's at year end 31 March 2025 was £21.7m.

## 27. Policy Statements

The Fund has a number of policy statements which can be found on the [LPGS website](#). They have not been reproduced within the Accounts, as in combination they are sizeable, and it is not considered that they would add any significant value to most users of the accounts. The Statements are:

**Investment Strategy Statement, Administration and Communication Strategy, Funding Strategy Statement.**

## 28. Compliance Statement

### Income and other taxes

The Fund has been able to gain either total or partial relief from local taxation on the Fund's investment income from eligible countries. The Fund is exempt from UK Capital Gains and Corporation tax.

### Self-investment

There has been no material employer related investment in 2024/25 (or 2023/24). There were occasions on which contributions were paid over by the employer later than the statutory date and these instances are technically classed as self-investment. In no instance were the sums involved material, and neither were they outstanding for long periods.

### Calculation of transfer values

There are no discretionary benefits included in the calculation of transfer values.

### Pension Increase

All pension increases are made in accordance with the Pensions Increase (Review) Order 1997.

**Changes to LGPS**

All changes to LGPS are made via the issue of Statutory Instruments by Central Government.



## Leicestershire County Council Pension Fund (the Fund) Actuarial Statement for 2024/25

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 February 2023. 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.
- where appropriate, ensure fairness between employers and between different generations of tax-payers.

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 17 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 75% likelihood that the Fund will achieve the funding target over 17 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 £5,790 million, were sufficient to meet 105% 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 £283 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	4.4% pa
Salary increase assumption	3.4% pa
Benefit increase assumption (CPI)	2.9% 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	21.5 years	24.4 years
Future Pensioners*	22.3 years	25.9 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 were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund's assets. Asset

performance improved in 2024 and early 2025, however the recent increase in US tariffs on imports has caused significant market volatility. The peak of this market volatility was experienced immediately after 31 March 2025, however, generally lower than expected asset returns were experienced in the month immediately prior to this.

High levels of inflation in the UK (compared to recent experience) have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, inflation has reduced towards historical levels and the Bank of England's target (2% pa), with LGPS benefits increasing by 1.7% in April 2025.

There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund's liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025, and will be finalised by 31 March 2026. The FSS will also be reviewed at that time, and a revised version will come into effect from 1 April 2026.

Jamie Baxter FFA C.Act

09 May 2025

For and on behalf of Hymans Robertson LLP

## Pension Fund Accounts Reporting Requirement

### Introduction

CIPFA's Code of Practice on Local Authority Accounting 2024/25 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the Leicestershire County Council Pension Fund ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19. There are three options for its disclosure in the pension fund accounts:

- showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit.
- as a note to the accounts; or
- by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

### Present value of promised retirement benefits

The promised retirement benefits at 31 March 2025 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2022. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

### Assumptions

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2025 and 31 March 2024. I estimate that the impact of the change in financial assumptions to 31 March 2025 is to decrease the actuarial present value by £958m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £12m.

## Financial assumptions

Year ended	31 March 2025	31 March 2024
	% p.a.	% p.a.
Pension Increase Rate (CPI)	2.75%	2.75%
Salary Increase Rate	3.25%	3.25%
Discount Rate	5.80%	4.85%

## Demographic assumptions

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund.

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.0 years	23.9 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	21.7 years	25.3 years

All other demographic assumptions are unchanged from last year and are as per the latest funding valuation of the Fund.

## Sensitivity Analysis

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2025	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	2%	92
1 year increase in member life expectancy	4%	204
0.1% p.a. increase in the Salary Increase Rate	0%	4
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	88

**Professional notes**

This paper accompanies the 'Accounting Covering Report – 31 March 2025' which identifies the appropriate reliance's and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by: -

Tom Hoare FFA C Act

12 May 2025

For and on behalf of Hymans Robertson LLP

## Statement of Responsibilities for Leicestershire County Council Pension Fund

### THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of the financial affairs of its Pension Fund and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Director of Corporate Resources.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the statement of accounts.

### THE DIRECTOR OF CORPORATE RESOURCES RESPONSIBILITIES

The Director of Corporate Resources is responsible for the preparation of the Authority's Pension Fund Statement of Accounts in accordance with proper accounting practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Director of Corporate Resources has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority Code.
- Kept proper accounting records which were up to date,
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.
- Assessed the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Used the going concern basis of accounting on the assumption that the functions of the Pension Fund will continue in operational existence for the foreseeable future; and
- Maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

I certify that the above responsibilities have been complied with and the Statement of Accounts herewith presents a true and fair view of the financial position of the Leicestershire County Council Pension Fund as at 31 March 2025 and its income and expenditure for the year ended the same date.

**DECLAN KEEGAN**

**DIRECTOR OF CORPORATE RESOURCES**

**24 NOVEMBER 2025**

## Investments and Funding

Leicestershire County Council has delegated the responsibility for decisions relating to the investment of the Fund's assets to the Local Pension Committee. The Local Pension Committee's (the Committee's) principle aim is to consider pensions matters with a view to safeguarding the interests of all Fund members. The Members who sit on the Committee act on behalf of the beneficiaries of the LGPS and in this way have a similar role to trustees in primarily protecting the benefits of the LGPS members, overseeing the direction of investments and monitoring liabilities. More detail on the Committee's activities is set out on page 9 of this report.

The Fund's Investment Strategy Statement (ISS) is approved by the Committee and sets out the long-term asset allocation target in order to meet the Fund's primary objective to provide pension and lump sum benefits as and when they fall due for members or their dependents.

This links to the Funding Strategy Statement (FSS) objectives to use a balanced investment strategy to minimise long-term cash contributions from employers and meet the regulatory requirement for long-term cost efficiency. The FSS sets out how employers' contribution rates are set and how employers are managed on entry and exit from the Fund. This is reviewed annually and formally as part of the triennial valuation process and the Fund complied with this throughout the year. Both the ISS and FSS are compliant with statutory guidance.

The Local Pension Committee believes in a long-term investment strategy with regular reviews as part of annual strategic asset allocation reviews. This is with the aim to maximise returns of the Fund while maintaining an acceptable level of risk.

The Fund's target strategic asset allocation (SAA) agreed by the Local Pension Committee in January 2025 is shown below alongside the actual allocation at the end year end. The difference to the January 2025 targets is also shown bearing in mind alignment will take time to enact. The Fund has been moving from growth assets which are more liquid to income assets which primarily invest in the private markets and therefore can take years to get money invested.

Changes to the portfolio holdings are then enacted over the year and sometimes over multiple years to adjust towards the target SAA. In most circumstances specific advice from the Fund's investment consultant is requested to support officer recommendations made at the relevant committee meeting.

The setting of the SAA is the one of the most important decisions that the Committee makes. It is this decision that will have the most significant impact on the investment



return achieved. Both careful asset allocation and rebalancing are important for investment returns because they can help to improve risk adjusted returns by tilting towards better asset classes or away from others that may be deemed overvalued from a risk adjusted returns perspective.

Rebalancing mechanically by divesting from assets that have increased in value and reinvesting in those which have fallen is also a method that has historically proven to improve long term investment returns. The Fund has a rebalancing policy which is reviewed each year alongside the SAA to aid this process. It is not a guarantee for success, however, both form part of the Fund's long term investment strategy.

Individual investment manager appointment choices are important as they can produce added value by outperforming their benchmarks, but their influence is smaller in comparison to the selection of benchmark as part of setting the SAA. Variances to benchmark positions can take time to close especially when investments or divestments need to be made to illiquid products such as infrastructure and property that usually have a time lag between committing capital and the money being requested (called) by the investment manager.

At the year end the major differences to the 2025 target SAA is described as being underweight marginally to 'growth' assets by 1.4% and underweight 'income' assets by 6.7%. The underweight is primarily within the private equity asset class where uncalled commitments are awaiting to be called and the gap to target allocation is planned to be closed over a number of years.

The other major variance is within the income asset group where the majority of the Fund's uncalled commitments are awaiting to be called by managers within infrastructure and private credit in the main. An investment to liquid global credit is planned later in 2025/26 when an investment product from LGPS Central finalises its manager review. Whilst the Fund is awaiting capital calls, available cash is held in a variety of money market funds and term deposits in line with the Fund's cash management strategy.

The UK exposure has been calculated using manager data where provided at the year end. Including the cash balance in GBP, 28% of the Fund is exposed to the UK and 19% excluding cash.

<b>Asset group / class</b>	<b>Actual Weighting 31 March 2025</b>	<b>Target SAA Jan 2025</b>	<b>Variance, actual to Jan 2025 SAA target</b>	<b>UK exposure % 31 March 2025</b>
<b>Growth</b>	<b>52.1%</b>	<b>53.5%</b>	<b>-1.4%</b>	<b>5.9%</b>
Listed equity	41.1%	41.0%	+0.1%	4.0%

### Pension Fund Statement of Responsibilities

Private equity	6.1%	7.5%	-1.4%	0.6%
Targeted return	5.0%	5.0%	0.0%	1.3%
<b>Income</b>	<b>31.8%</b>	<b>38.5%</b>	<b>-6.7%</b>	<b>8.7%</b>
Infrastructure	11.1%	12.5%	-1.4%	1.1%
Property	7.2%	7.5%	-0.3%	6.0%
Private credit	7.1%	9.5%	-2.4%	1.1%
Liquid global credit	6.4%	9.0%	-2.6%	0.6%
<b>Protection</b>	<b>14.1%</b>	<b>8.00%</b>	<b>+8.2%</b>	<b>13.2%</b>
Inflation linked bonds	3.2%	3.5%	-0.3%	3.2%
Investment grade credit	3.8%	3.75%	0.1%	1.2%
Cash including hedge collateral	9.1%	0.75%	+8.2%	8.8%
	<b>100.0%</b>	<b>100.0%</b>		<b>27.9%</b>

During 2024/25 Investment Subcommittee (ISC) decisions were taken to realign to the strategic asset allocation. A protection assets review was presented to the ISC as agreed by the LPC meeting held in January 2024 when the general direction of investment related decisions is agreed. At the time the Fund's advisor felt the current strategy did not see a strong enough case for adding new types of protection investments and did outline a number of options that were considered.

The Fund currently considers the use of index linked bonds (mainly UK), global investment grade corporate bonds and a currency hedge to reduce volatility from the overseas currency exposure as its primary protection assets.

As capital is returned from older investments in line with expectations, proposals to maintain the Fund's exposure to private equity, timberland, infrastructure and bank risk share (sometimes referred to as risk sharing transactions) were presented through the year with all proposals approved.

A summary of investment performance is included below at asset class level.

	1 Year %		3 Years % p.a		5 Years % p.a	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Growth assets	4.6	6.3	6.3	8.1	12.8	12.9
Income assets	5.9	7.9	3.4	4.9	4.8	5.2
Protection assets	-1.7	-1.8	-6.4	-7.6	-2.9	-3.4
<b>TOTAL FUND ex HEDGE</b>	<b>4.5</b>	<b>6.3</b>	<b>4.2</b>	<b>6.6</b>	<b>8.8</b>	<b>8.7</b>

The Fund has a large number of investment managers although with careful management of the years it has been reducing this to make the Fund governance simpler whilst maintaining adequate diversification. It is inevitable that some of them will have periods of disappointing performance and sometimes this disappointing performance can last multiple years. This can be the result of a particular investment 'style' not being in favour with market sentiment. It is therefore expected that at any

given time there will be parts of the Fund that are not performing as well as others and this is to be expected.

It is, however, important to understand why managers are performing in the manner they are, regardless of whether this is above or below their benchmark and to assess whether this is a cause for concern. Spontaneous reactions that are based on relatively short periods of poor performance are not usually sensible and understanding the reasons for poor performance is important.

The Fund undertakes regular reviews of asset classes with the investment advisor and reports on performance of each manager at Local Pension Committee meetings highlighting and providing commentary. Manager reports and overall portfolio investment performance, which are compiled on a quarterly basis are appended to every set of Local Pension Committee papers.

It is not likely that all managers appointed by the Fund can simultaneously perform well, in fact the Fund is positioned such that some assets should perform well in traditional market downturns. The Fund needs to have a reasonable spread of management styles and asset classes and occasionally a manager is chosen specifically because they provide diversification of returns from other managers within the overall portfolio. There are a number of managers that the Fund has appointed that evidenced this in 2022 when both equity and bond markets fell in tandem whilst certain mandates were able to perform strongly.

The Local Pension Committee and Investment Subcommittee will continue to monitor the performance of managers and make changes when it is deemed appropriate. An investment manager is usually invited to each Local Pension Committee to present their strategy, investment performance, views on market they operate in and how they demonstrate their responsible investing credentials in practice. With LGPS Central now firmly the Fund's largest manager in terms of assets managed, more frequent updates are to be expected.

The management of the individual asset classes is carried out as follows:

### Growth Assets

The Fund has a global passive equity manager (Legal and General) that manages against both market capitalisation benchmarks and also against alternative benchmarks such as low carbon transition global equity index. The Fund has one active equity investments with LGPS Central, a global equity multi manager investment, this is the Fund's only active equity mandate. The Fund also has invested into a passive product in 2020 with LGPS Central, a climate multi factor fund which is deemed semi passive given its regular planned amendments to the benchmark. The management fees are more closely aligned with that of a traditional passive mandate than an active mandate.

Within the growth assets group, the Fund also includes private equity investments (investments in unquoted companies), the majority of which are managed by Adams Street Partners as well as investments in three LGPS Central Private Equity vintages. As time has progressed the value of investments with LGPS Central have

increased within the private equity asset class as proportion of all private equity investments.

The final constituents of the growth asset group are two managers classed within the targeted return class. This exposure can generally be categorised as investments that are seeking to make a return of 4% p.a. more than could be achieved by an investment in cash and with the expectation that the return will be achieved with relatively low volatility. There are many different ways of achieving this goal and the Fund uses two managers who aim to reach this goal in different methods.

### Income Assets

Property – DTZ investors manage the Fund's directly owned property portfolio. LaSalle Investment Management manage a portfolio of pooled property funds, which includes exposure to a wider range of property sectors. They invest in funds which allows the Fund to access global property exposure.

The Fund has also invested in two stand-alone non-core property funds which are closed ended and will be returning capital over the next few years.

Infrastructure – The Fund employs seven managers covering a broad range of global infrastructure with exposure to core infrastructure such as toll roads, ports and woodland to value add / opportunistic exposure including asset leasing, data centres and renewables.

Other asset classes included within the income class include exposure to credit investments. Private credit to corporates feature in this class. LGPS Central are now the single largest private credit manager based on assets under management with whom the Fund invests.

### Protection assets

UK inflation is one of the Fund's biggest risks, due to the direct link to pension benefits and the less-direct link to salary growth of active members. Protecting against this risk is therefore sensible but can be expensive. It involves taking money out of assets that are seeking investment growth (e.g. equities) and investing it in safer, and therefore lower-returning, index-linked bonds. Aegon Asset Management manages a portfolio of largely UK index-linked bonds for the Fund.

The most natural asset for protecting the Fund against its inflation risk is UK Government index-linked bonds. This asset class has suffered over the last few years as a combination of negative factors pushed prices lower severely in 2022 and has now stabilised during 2025. The Fund in accordance with its SAA rebalances where possible by adding to or divesting from an asset class when valuations deviate from the target allocation a large enough margin to warrant a rebalance.

The Fund has other avenues to obtaining protection against inflation, investment in property, infrastructure, and timberland, all of which have a good historic link to

inflation. In the case of infrastructure inflation protection is afforded by exposure to underlying assets which are subject to contracted or regulated income.

Other mandates included within protection assets include a short dated investment grade bond fund with Aegon Asset Management and a LGPS Central investment grade corporate bond fund. Both aim to provide stable and safer rates of returns in a variety of economic conditions.

#### Other portfolios

Active foreign exchange hedging is undertaken by Aegon Asset Management to reduce the impact of currency fluctuations from the Fund's holdings which are held in currencies other than the sterling.

At the year end the benchmark level of hedge as advised by Hymans and approved by the Pension Committee is 30% of foreign currency exposure. Aegon actively manage the level of hedge of currencies the Fund is exposed to between fully unhedged and fully hedged based on their view of the prevailing market conditions and costs of hedging.

## Responsible Investment

The Fund's approach to incorporating Environmental, Social and Governance (ESG) factors into the investment approach, as well as wider responsible investment stewardship issues is set out within the Fund's Investment Strategy Statement.

The Fund believes it has a responsibility to take these issues seriously and incorporates ESG considerations into investment decisions to better manage risk and generate sustainable, long-term returns. This is considered by the Fund in two key areas:

- Sustainable Investment/environmental and social factors: Considering the financial impact of environmental factors (including climate risk, social and governance factors) on the Fund's investments.
- Stewardship and governance: Acting as a responsible and active investor/owner through considered voting of shares and engaging with investee company management as part of the investment process.

The Fund has a fiduciary duty to act in the best interests of its members and therefore expects its investment managers to take account of financially material factors in the selection, retention and realisation of investments as an integral part of the normal investment research and analysis process, which has fed through as part of all investment decisions.

The Committee annually agrees a Responsible Investment plan which is reported against quarterly which sets further detail on engagement with managers and their processes and considerations across environmental, social and governance areas with our partners LGPS Central, the Local Authority Pension Fund Forum and investment managers.

Over 2024/25 this has included:

- Engaging with investment managers on specifics on climate considerations and their broader stewardship activities as part of an annual questionnaire reported to Committee in November 2024.
- Considering examples of engagement covering environmental, social and governance issues at each quarterly meeting.
- Considering how our investment managers and aligned with Local Authority Pension Fund Forum Vote Alerts in September 2024, while there was a high level of alignment our Managers set out reasonings for where they did not align.

The Fund's managers vote on Leicestershire's behalf at many meetings. This included voting recommendations at 6079 company meetings (72,161 resolutions).

A small snapshot of these are set out below, and are reported quarterly.

Shell – LGPS Central voted against the climate transition plan due to concerns over the opacity of the energy transition plan, especially the company's long-term net zero commitment for 2030-2050. Central wrote to the company prior to the AGM outlining rationale for dissent and sought a meeting to discuss concerns further.

Amazon – Central supported two shareholder resolutions which received over 30% support each. This included supporting a resolution requesting an assessment of the Company's commitment to freedom of association. Further disclosure and transparency to comprehensively assess how the Company is managing human rights risks would benefit shareholders.

Mitchells and Butlers PLC – Given the Board and Committee members fell short of the Financial Conduct Authority expectations to have 40% of women on the Board Central voted against the re-election of the Chair. Dissent was significant at 29.6% which sends a clear signal to the company around investor expectations.

Palo Alto Networks Inc – Central voted against an advisory vote to ratify the executive officers' compensation given total CEO pay was valued at nearly double the total median CEO pay of peers. The proposal recorded a significant level of dissent at 49.6%.

LGPS Central has a Responsible Investment and Engagement Framework, Net Zero Strategy and voting principles. More detail on LGPS Central's actions can be read in the 2024 Annual Stewardship report available [here which include the four key themes that they engage on.](#)

## Net Zero Climate Strategy Progress

The Fund recognises almost all asset classes, sectors, and geographical regions that the Fund invests in are likely to be affected by the physical, policy or market-related consequences of climate change over the long term. Failure to consider risks and opportunities or exercise effective stewardship, will risk inferior investment performance. Ultimately any deficit would be covered by increase employers' contributions which could affect employers' ability to provide their primary function.

The latest report of the Fund's activities in managing climate risk and opportunities over is available [here](#):

### Net Zero by 2050, with an ambition for sooner



Achieve a 40% reduction in absolute carbon emissions for the equity portfolio by 2030



Halve the carbon intensity of the Equity portfolio by 2030



Increase the Fund's exposure to climate solutions.



Reduce the Fund's exposure to fossil fuel reserves.



90% of the Fund's assets under management in material sectors are classified as achieving Net Zero, aligned or aligning by 2030.



90% of the Fund's financed emissions are classified as achieving Net Zero, aligned or aligning, or subject to an





Increase asset coverage analysed to 90% by 2030



engagement programme to build that about by 2030

Operational targets for Leicestershire County Council (Scheme Manager) and LGPS Central to achieve net zero operations by 2030.



Step 1: Evaluation



Step 2: Engagement



Step 3: Voting



Step 4: Divestment

These targets and measures support real-world emissions reduction and are in line with the Institutional Investor Group for Climate Change's Net Zero Investment Framework which support the goals of the Paris Agreement to limit global temperature well below 2degrees with the aim of achieving a 1.5degree limit. The Fund will support this through its approach to Stewardship with a four step plan.

To monitor progress against the NZCS the Fund produces an annual Climate Risk Report that performs top down and bottom-up analysis of the Funds investment portfolio. The NZCS and the Fund's latest Climate Risk Report can be viewed [here](#).

#### In brief:

- Governance - The Local Pension Committee has overall responsibility for all issues relevant to the Fund, including regular engagement on the oversight and management of risks and opportunities related to climate change. The report shows a snapshot of the Committee's activities which include engaging with external representations, consideration within the Strategy Asset Allocation review and agreement of the annual Responsible Investment Plan.

Fund Officers, Advisors, and Investment Managers support the Committee in development and delivery of the Fund's Net Zero Climate Strategy, investment decisions and stewardship activities.

- Strategy - Climate risk and opportunities have impacted the Fund's approach to investment decision making. The Fund's Net Zero Climate Strategy defines the key climate related risks and opportunities across the Fund and how it is managed. This has led to over £1billion in climate related investments and a focus on real-world impact.

These considerations take into account advice from the Fund's Investment Advisor who provided an assessment of the impact of climate change on asset classes as a whole, and over the long-term, as exemplified below.



## Pension Fund Statement of Responsibilities

Exposure to:	Transition risk	Physical risk	Climate opportunities
<b>Glits (Protection)</b>	Low: financing the transition may require more borrowing from the UK government, but we would expect some of this to be priced into markets already.	Low: there would be no direct impact, although serious damage to e.g. infrastructure may lead to additional borrowing being required, possibly pushing down gilt prices to some extent.	Low: green glits available, although limited ability to influence government through glits purchase. Opportunity to engage on climate risks/opportunities through ASCOR project.
<b>Investment Grade Credit (Protection)</b>	Medium: companies who do not prepare adequately for the transition may suffer more than others, albeit the risks are less than with owning the equity due to position in the capital structure, fixed (often short to medium term) lending terms and re-pricing in of risks upon reinvestment (companies not aligned or aligning to the transition risk facing increased cost of capital/borrowing costs).	Medium: possible direct impact in terms of disruption to business operations (e.g. through supply chains); companies in certain sectors or geographies may be more exposed. Bonds of a company expected to suffer less than equity.	Medium: green bonds (use of proceeds to fund projects that have positive environmental and/or climate benefits) and Sustainability Linked Bonds (linked to climate KPIs) offer some ability for investors to gain exposure to decarbonisation opportunities and/or influence companies. Opportunity to influence/engage for positive environmental outcomes at point of reissuance.
<b>Infrastructure / Property (Income)</b>	Medium: property which does not meet evolving standards may find itself obsolete, although we would expect most managers are preparing for this. Some assets in this class may see improvements in value e.g. renewable energy infrastructure.	Medium: possibility of direct damage to assets depending on geographical location, though may be mitigated through insurance / avoiding assets in areas exposed to the worst physical impacts.	High: ability to participate in the low carbon transition e.g. through building renewable infrastructure, retrofitting existing properties to highest standards etc.
<b>Global Equities (Growth)</b>	High: companies who do not prepare adequately for the transition may suffer greater falls than others, though some may already be reflected in the current share price.	High: possible direct impact in terms of disruption to business operations (e.g. through supply chains); companies in certain sectors or geographies may be more exposed. Equity of a company expected to suffer more than bonds.	High: high scope for investment in climate opportunities. Ability to engage where investing for impact or in private markets.

FIGURE 1 HYMANS ROBERTSON TABLE FROM PROTECTION ASSETS REVIEW FOR LCCPF.

- Risk Management - Climate change risk is embedded within day-to-day risk management processes and investment decisions. Committee considers the Fund risk register and stewardship activities on a quarterly basis and climate risk metrics on at least an annual basis. This supports identification of risks and supports decision making in management of them.

Based on the findings of previous Climate Reports, the Fund has developed a priority list for climate engagements. This list is designed to identify the Fund's top contributors of financed emissions, as well as aligning with LGPS Central's climate stewardship priority companies. This alignment of the Fund's climate stewardship plan and LGPS Central's climate stewardship priority list is intended to support the delivery of meaningful portfolio company research and updates.

These companies are chosen following an assessment of issuer contributions to financed emissions and the Fund's capacity to leverage change through engagement. The Climate Risk Management report sets out specific updates

### Pension Fund Statement of Responsibilities

to engagements with Shell and BP, and the Fund continues to monitor these any other engagements undertaken by LGPS Central.

Company Name	Weight in Total Portfolio (%)	Financed Emissions	Contribution to Total Financed Emissions
SHELL	0.4%	5,975	4.3%
CEMEX	0.1%	4,758	3.4%
CRH	0.1%	3,570	2.5%
HOLCIM	<0.1%	2,885	2.1%
GLENCORE	0.2%	2,271	1.6%
BP	0.2%	1,494	1.1%
LINDE	0.2%	1,492	1.1%
TAIWAN SEMICONDUCTOR MANUFACTURING CO	1.2%	1,271	0.9%

- **Metrics and Targets** -The Fund reports progress annually against its nine targets, including to become net zero by 2050, with an ambition for sooner. As of 31<sup>st</sup> March 2024, the Fund is on track against each metric for its equity portfolio where baseline data as of 31<sup>st</sup> December 2019 is available and has met both interim targets. The Fund is due to review this over 2025/26.

## Pooling

As mentioned earlier in the report the Fund is an investor in LGPS Central Ltd, a company which pools together pension fund assets from various pension funds across the Midlands. Leicestershire County Council along with eight other funds is a joint owner of the company.

The company has its own governance and risk management structures in place. The aim of the Company is to use the combined buying power of its partner funds to reduce costs, improve investment returns and widen the range of available asset classes for investment – all for the benefit of local government pensioners, employees and employers.

Further information on the Governance Structure on LGPS Central can be found within the [Governance Compliance Section here](#).

LGPS Central Ltd is based in Wolverhampton and their details can be found below:

Address:

LGPS Central Ltd

Floor 1

i9

Wolverhampton Interchange

Wolverhampton

WV1 1LD

Website: <https://www.lgpscentral.co.uk>

e-mail: [enquiries@lgpscentral.co.uk](mailto:enquiries@lgpscentral.co.uk)

## Assets under management

In total as at 31 March 2025, £2.8bn worth of assets were managed directly by the LGPS Central Pool. Further to this the Fund has £1.1bn worth of passive equities which are invested in a low cost collectively pooled vehicle. Taken together as at 31 March 2025 59% of the Fund's assets could be defined as pooled.

## Post Pooling Report (as issued by LGPS Central for Leicestershire Pension Fund)

The information request set out in the following tabs reflects the information required by Partner Funds to meet the CIPFA Annual Report Pooling Disclosures in 2024/25. Please note that the information request reflects the start-up nature of LGPSC, and the level and complexity of the disclosures required will increase in later years.

The analysis provided by LGPSC should relate to the specific Partner Fund. The provision of the information by LGPSC to each Partner Fund should ensure consistent reporting across Partner Funds, and allow LGPSC to aggregate, and reconcile back the individual Partner Fund disclosures, to the Company's financial statements.

### 1. Set-Up Costs

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**Pension Fund Statement of Responsibilities**


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£000	Cumulative 2014/15 to 2018/19 Total
Set Up Costs	
Recruitment	27
Procurement	2
Professional Fees	187
IT	97
Staff Costs	142
Other Costs (provide details)	
Premises	49
Staffing-Related Costs	5
Travel and Expenses	1
Training and Events	1
FCA Fees	1
General Admin Costs	2
Set-Up Costs Before Funding	514
Share Capital	1,315
Debt	685
Other Costs	-
Set-Up Costs After Funding	2,514
Transition fees	
Taxation (seeding relief)	
Other transition costs	
Transition Costs	

Please note that CIPFA has not provided a set definition of Indirect Costs but notes that “these would include, for example, overhead costs incurred by the administering authority or the pool in respect of senior management time, accommodation or support services recharged on a % of time/floor area basis as opposed to being directly linked to pension fund activities”.

£000	Cumulative 2014/15 to 2018/19 Total
Set-Up Costs Before Funding	514
Set-Up Costs After Funding	2,514
Transition Costs	

## 2. Governance, Operator and Product Development Charged by LGPSC to Partner Funds

£000	At 1 April-24	Charges in Year	Settled in Year	At 31 March-25
Governance Costs	-	283	-	-
Operator Costs	-	832	-	-
IMMC (*)	-	884	-	-
Product Development Costs	-	67	-	-
<b>Total</b>	<b>928</b>	<b>2,066</b>	<b>-1,394</b>	<b>1,599</b>

(\*) Please note that this is expected to relate to IMMC charges in respect of any discretionary and/or advisory services provided by LGPSC to a Partner Fund. Any IMMCs (both internal and external charges) which are charged directly to a product (e.g., ACS sub-funds and SLP Private Equity) should be disclosed through (5) and (6) below.

## 3. Other Transactions between Partner Funds and LGPSC (e.g. service support provided by West Midlands to LGPSC)

£000	At 1 April-24	Charges in Year	Settled in Year	At 31 March-25
Interest Payable	65	65	(65)	65
<b>Total</b>	<b>65</b>	<b>65</b>	<b>(65)</b>	<b>65</b>

## 4. LGPSC Investment Management Expenses Charged to Partner Funds

	£000	Direct	Indirect	Total	Bps Charge
1	Ad Valorem	4,654	0	4,654	20.33
2	Performance	0	0	0	0.00
3	Research	0	0	0	0.00
4	PRIIPS Compliance	0	0	0	0.00
5	Other (provide details)	132	0	132	0.58
	<b>Management Fees</b>	<b>4,786</b>	<b>-</b>	<b>4,786</b>	<b>20.91</b>
6	Commissions	701	0	701	3.06
7	Acquisition/issue costs	0	0	0	0.00
8	Disposal costs	0	0	0	0.00
9	Registration/filing fees	0	0	0	0.00
10	Taxes and Stamp Duty	798	0	798	3.49
11	Other (provide details)	0	0	0	0.00
	Investment Administration	0	0	0	0.00

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**Pension Fund Statement of Responsibilities**


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	Other administration charges	0	0	0	0.00
	Implicit Costs	3,848	0	3,848	16.81
	<b>Transaction Costs</b>	<b>5,347</b>	<b>0</b>	<b>5,347</b>	<b>23.36</b>
					-
<b>12</b>	<b>Custody/Depository</b>	<b>239</b>	<b>0</b>	<b>239</b>	<b>1.04</b>
<b>13</b>	<b>Other (provide details)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	Fund Accounting	196	0	196	0.86
	Transfer Agent	4	0	4	0.02
	Property Expenses	198	0	198	0.87
	External Audit	22	0	22	0.10
	Performance Reporting	10	0	10	0.04
	Transaction Charges	1	0	1	0.00
	MACS Fees	-13	0	-13	-0.06
	<b>Total Costs</b>	<b>10,790</b>	<b>0</b>	<b>10,790</b>	<b>47.14</b>

## 5. Investment Management Expenses By Product / Service

£'000	1	2	3	4	5	6	7	8	9	10	11	12	13	Total 2024/25 Costs	AUM At 31 March 2025 £m	2024/25 Bps Charge
Global Multi-Manager	1633					192				272	1508	71	27	3,703	783	49.11
Climate Factor Fund	289					454				440	1094	91	9	2,377	843	28.06
Emerging Market Equities	203					53				86	61	14	19	436	0	85.49
Corporate Bonds	166					0				0	503	15	5	689	192	42.27
Emerging Market Debt	29					0				0	27	1	1	58	0	41.43
Direct Property	140				132	0				0	0	12	330	614	121	105.86
Multi-Asset Credit	837					2				0	655	35	27	1,556	426	38.71
<b>ACS Sub-Funds</b>	<b>3,297</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>132</b>	<b>701</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>798</b>	<b>3,848</b>	<b>239</b>	<b>418</b>	<b>9,433</b>	<b>2,365</b>	
Private Equity 2018 V'tage	7													7	10	6.62
Private Equity 2021 V'tage	11													11	30	3.82
Private Debt	59													59	417	1.41
Private Equity 2023	60													60	80	7.45
Private Credit 2024	46													46	280	1.65
Infrastructure	42													42	265	1.59
<b>Alternative Vehicles</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225</b>	<b>1,082</b>	
Discretionary Mandate 1														-		
Discretionary Mandate 2														-		
<b>Discretionary Mandates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
LGIM Passive Funds Oversight and Stewardship	1132													1132	1123	10.08

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Advisory Mandates	1132	-	-	-	-	-	-	-	-	-	-	-	-	1132	1123	
Total	4,654	-	-	-	132	701	-	-	-	798	3,848	239	418	10,790	4,570	47.14

## 6. Asset Under Management & Performance By Product / Service

£'000	AUM at 1 April- 24 £m	AUM at 31 March 2025 £m	One Year Gross Performance %	One Year Net Performance %	Passive Benchmark Used	One Year Passive Index %
Global Multi-Manager	636	783	4.17%	3.94%	FTSE All World Index	5.46%
Climate Factor Fund	812	843	3.99%	3.93%	FTSE All-World Climate Balanced Comprehensive Factor Index	3.73%
Emerging Market Equities	185	0	6.57%	5.47%	FTSE Emerging Markets Index	10.14%
Corporate Bonds	159	192	5.00%	4.90%	ICE BofAML Sterling Non-Gilt Index 50%; ICE BofAML Global Corporate Index 50%	3.82%
Direct Property	48	121	9.60%	8.80%	MSCI Quarterly index	0.50%
Emerging Market Debt	63	0	6.51%	6.29%	JPMorgan EMBI Global Diversified Index, hedged to GBP	6.43%
Multi-Asset Credit	348	426	6.02%	5.81%	3-month GBP SONIA	4.97%

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<b>ACS Sub Funds</b>	<b>2,251</b>	<b>2,365</b>				
Private Equity 2018 V'tage	10	10				
Private Equity 2021 V'tage	30	30				
Private Debt	417	417				
Private Equity 2023	0	80				
Private Credit 2024	0	280				
Infrastructure	100	265				
<b>Alternative Vehicles</b>	<b>557</b>	<b>1,082</b>				
Discretionary Mandate 1						
Discretionary Mandate 2						
<b>Discretionary Mandates</b>	<b>-</b>	<b>-</b>				
LGIM Passive Funds Oversight and Stewardship	-	1123				
<b>Advisory Mandates</b>	<b>0</b>	<b>1123</b>				
<b>Total</b>	<b>2,808</b>	<b>4,570</b>				

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## 7. Transition Costs

No transitions in 2024/25.

## ASSET TABLE

A supplementary table in line with new guidance is included below showing allocations to UK investments across four asset classes in sterling.

£million asset values as at 31 March 2025	Pooled	Under pool management	Not pooled	Total
UK listed equities	266		18	285
UK government bonds	60		275	334
UK infrastructure	42		32	73
UK private equity	1		38	39
<b>Total</b>	<b>369</b>		<b>363</b>	<b>731</b>

The £731m is approximately 11% of total Fund assets. In addition to the above, the Fund holds £401m in UK commercial property which is an additional 6% of total Fund assets.

The table below shows the Fund's assets split by asset classes they are usually reported in. An alternative format illustrates the same but with a different classification for asset classes that might aid comparisons across other LGPS funds.

Asset values as at 31 March 2025 £m <sup>(2)</sup>	Pooled (LGPS Central)	Under LGPS Central advisory management	Not Pooled	Total
<b>Growth</b>	<b>2,776</b>	<b>0</b>	<b>713</b>	<b>3,489</b>
Listed equity	2,750		0	2,750
Private equity	26		381	407
Targeted return	0		332	332
<b>Income</b>	<b>991</b>	<b>0</b>	<b>1,136</b>	<b>2,127</b>
Infrastructure	146		598	743
Property	156		325	481
Private credit	264		214	478
Liquid global credit	426		0	426
<b>Protection</b>	<b>192</b>	<b>0</b>	<b>890</b>	<b>1,082</b>
Inflation linked bonds	0		216	216
Investment grade credit	192		64	256
Cash including hedge collateral	0		610	610
<b>Total</b>	<b>3,959</b>	<b>0</b>	<b>2,739</b>	<b>6,698</b>
<b>% of total AUM</b>	<b>59%</b>	<b>0%</b>	<b>41%</b>	

Alternative table to aid comparison with other LGPS funds showing pooling progress.

£m Asset Values as at 31 March 2025 <sup>(2)</sup>	Pooled	Under LGPS Central advisory management	Not Pooled	Total
---	--------	---	---------------	-------

Equities	2,750		0	<b>2,750</b>
Bonds	618		280	<b>898</b>
Property	156		325	<b>481</b>
Hedge Funds	0		332	<b>332</b>
Diversified Growth Funds	0		0	<b>0</b>
Private Equity	26		381	<b>407</b>
Private debt	264		214	<b>478</b>
Infrastructure	146		598	<b>743</b>
Derivatives	0		0	<b>0</b>
Cash and net current assets	0		610	<b>610</b>
Other	0		0	<b>0</b>
<b>total</b>	<b>3,959</b>	<b>0</b>	<b>2,739</b>	<b>6,698</b>
<b>% of total AUM</b>	<b>59%</b>	<b>0%</b>	<b>41%</b>	

<sup>2</sup>The figures used for the disclosures in the annual report are based on the figures produced by Hymans as part of their external quarterly investment monitoring & valuation report (produced in early May). There are therefore minor differences between these numbers and those reported in the financial statements.

# Administration

## Summary of Activity

The Pension Section dealt with various areas of administration throughout 2024/25. Areas include deaths, retirements, transfers, refunds, divorce calculations, new joiners, aggregations, optants out.

The Pension Section used the information contained within its Administration and Communication strategy to communicate with various stakeholders including, members or their representatives (including actives, deferred, pensioners, prospective members), employers, Members of the Local Pension Board and Committee, and various other stakeholders including HMRC, The Pensions Regulator, and MHCLG.

Communication was provided in various formats, website, member self-service, phone calls, face to face, employer forums, training sessions, written letters and email.

## Key Performance Indicators

Key performance indicators are split into 5 categories and are found in Appendix A of the report and summarised below.

The Funds 10 specific indicators split by business process and customer feedback

- Casework
- Communications and engagement
- Administration - Resources
- Data Quality

### Casework

Officers have used the Scheme Advisory Boards recommended layout. It details the number of cases created and completed in the year, and the previous year, for comparison.

Officers are unable to complete the Scheme Advisory Boards recommended layout for this section because the Fund's workflow tasks are not set up to report on certain activities. Officers liaised with a Scheme Advisory Board who agreed the Fund should use our own KPIs in this section.

The Fund has been measuring 10 KPIs, 3 for business process and 7 for customer feedback, for many years and these are reported to the Fund's Board and Committee.

Officers measure results against target, and these are included in Appendix A.

### Communication and engagement

Officers have used the Scheme Advisory Boards recommended layout. It provides percentages of the Fund's various scheme members who have registered on the on-line Member Self-Service (MSS) system. Scheme members can run their own estimates, view

annual benefit statements and update personal details and officers and employers regularly promote MSS sign up.

Communication includes numbers of phone calls, emails, online enquiries and various other types of communication methods.

### Administration – Resources

Officers have used the Scheme Advisory Boards recommended layout. It provides the full time equivalent number of Officers working in pensions administration and the average length of service working at Leicestershire. It does not include previous periods of employment elsewhere.

It also provides staff vacancy rate during the year and ratio of scheme members to officers.

### Data Quality

Officers have used the Scheme Advisory Boards recommended layout. The table provides the percentage of annual benefit statements issued by the statutory deadline of the 31 August.

Common data and scheme specific data are data fields the Pension Section should hold for each scheme member. These are scored annually and reported to The Pensions Regulator. Officers monitor these annually and put into place data improvement plans where necessary.

As more people move away from post to email, more email addresses are being captured on member's records.

Employers submit monthly data to the Pension Section. This is monitored and employers are chased where submissions are late.

### Fund members

Scheme Membership in the last four years is set out below:

<u>Year</u>	<u>Active Members</u>	<u>Preserved Members</u>	<u>Pensioner and Survivor Members</u>	<u>Total</u>
<b>2021/22</b>	37,139	30,704	31,397	99,240
<b>2022/23</b>	38,823	31,811	32,560	103,194
<b>2023/24</b>	40,848	32,250	33,902	107,000
<b>2024/25</b>	40,983	32,602	35,677	109,262
<b>Difference in the year</b>	135	352	1,775	2,262

As of the 31 March 2025 there were 4,501 status 2 records. These are incomplete cases (known as undecided leavers) that could become a refund, preserved or pensioner.

## Fund Employers

A summary of the largest contributing employers is set out in the table below.

	2024/25	Total Employers Contributions	Total Employees (Members) Contributions
		£000	£000
Leicestershire CC		58,950	12,774
Leicester City Council		61,250	13,618
The Chief Constable & The OPCC		15,337	3,947
De Montfort University		12,450	3,184
Loughborough University		8,888	2,122
Charnwood Borough Council		5,463	1,035
Rutland CC		4,143	1,017
Hinckley and Bosworth BC		3,905	950
Blaby District Council		3,182	737
North West Leics DC		4,883	1,064
ESPO		2,893	673
Harborough District Council		2,089	447
Oadby and Wigston BC		2,129	355
Melton BC		1,808	423
Leics Fire Service (Civilians)		1,497	390
Town and Parish Councils		851	228
Academies, Free Schools and Others		49,349	11,846
FE and Sixth Form Colleges		7,641	1,965
		246,708	56,775

A summary of the number of employers in the Fund analysed by scheduled bodies, admitted and designated bodies which are active (with active members) and ceased (no active members but with some outstanding liabilities) is set out within Appendix E.

## Communications Policy

The Pension Section used the information contained within its Administration and Communication strategy to communicate with various stakeholders including, members or their representatives (including actives, deferred, pensioners, prospective members), employers, Members of the Local Pension Board and Committee, and various other stakeholders including HMRC, The Pensions Regulator, and MHCLG.

Communication was provided in various formats, website, member self-service, phone calls, face to face, employer forums, training sessions, written letters and email.

The Fund has a website that provides details of the scheme. New members receive a welcome letter introducing them to the scheme with a link to the website and member self-service to enable members to run their own estimate projections.

Employers auto enrol eligible new employees into the scheme and re-enrol non-members through their auto enrolment duties.

Fund officers may provide sessions with employers and scheme members when requested.

The Fund's administration and communication strategy provides details of how we communicate with various stakeholders.

## Value for Money Statement

### Administration Costs

Officers must demonstrate value for money. The cost per member is calculated using the total cost for staffing, IT, actuarial and support services divided by the scheme membership on 31 March 2025. To compare the 2024/25 costs, information from three years prior is included.

The Fund has 40 full time equivalent working in Pension Scheme Administration. Scheme membership is equating to an increase of members per FTE in the year.

The pension administration costs include staffing, IT, actuarial, support services and other. It does not include the costs relating to investment activity.

Year	Members	Full Time Equivalent – Pensions Administration	Administration Costs £000	Cost per member (Admin cost / members)
2021/22	99,240	36	2,576	£25.96
2022/23	103,194	38	2,919	£28.29
2023/24	107,000	37	3,039	£28.40
2024/25	109,262	40*	3,108	£28.45

\*Includes two full time apprentices and a full-time temporary member of staff working on the McCloud remedy.

Our cost per member is comparable to other similar sized Funds; for example, our neighbouring Fund Derbyshire's 2023/24 cost per member is £28.58

The following table compares spend between 2023/24 and 2024/25 in the five administration areas.

Year	Staffing	IT	Actuarial	Support Services	Other	Total
2023/24	1,776,000	476,000	97,000	606,000	84,000	3,039,000
2024/25	1,829,000	442,000	197,000	555,000	85,000	3,108,000
Difference	53,000	(34,000)	100,000	(51,000)	1,000	69,000

- Staffing - Staffing costs were £19,000 below budget. However, the costs increased from 2023/24 due to inflationary pay increases and pay progression for colleagues, moving through the pay bands.

- IT – 2024/25 costs were £88,000 lower than budget. In 2024/25 the Pension Section purchased a replacement web and member self-service solution as the existing version reaches end of life. Work has commenced on the replacement that will go live in 2025/26.
- Actuarial – Actuarial charges were budgeted at £150,000 for 2024/25. However, the actual spend was £47,000 above budget. This accounted for an element of the 31 March 2025 Fund valuation work that was brought forward into 2024/25 (from 2025/26). Fund valuations only take place every three years and calculate the total Fund value and the employer contribution rates for the next three-year period (1 April 2026 to 31 March 2029). There is always increased actuarial work and budget in Fund valuation periods.
- Support Services – There was a decrease in support services charges in 2024/25 from process improvements with a £45,000 underspend against budget.
- Other - These relate to other general costs e.g., LGA subscription, CIPP qualifications, Club Vita membership, tracing service, external legal costs, SAB annual levy etc.
- The total budget was £3,178,000 and actual spend was £3,108,000 causing an underspend of £70,000 in 2024/25.

### Fund Administration Charge

Funds charge a percentage of the employer primary contribution rate to fund pension administration. Given the differences in the demographics of Funds this is not considered a reliable measure of costs between Funds. For example, a Fund with a greater percentage of active members and low fund maturity will receive more income, compared with a more mature Fund that has a greater percentage of pensioners and preserved members. Officers feel the cost per member provides a more transparent way to measure administration cost between Funds.

### Dispute Resolution

In line with legislation the Fund has an Internal Disputes Resolution Procedure that deals with formal complaints against the Scheme. During 2024/25 the Fund had one Stage 2 complaint via the formal Internal Resolution Disputes process.

During 2024/25 the Fund had three cases with the Pensions Ombudsman relating to periods prior to 2024/25. One of these was discontinued by the Ombudsman and two remained outstanding at the start of 2025/26.

A copy of the Fund's complaint process is available on the following link

<https://democracy.leics.gov.uk/documents/s189013/Appendix%20G%20Pensions%20Complaint%20Process%20-%20December%202024.pdf>

Further advice can be found at the following:



Money Helper  
LGPS Regulation & Guidance

Web: <https://www.moneyhelper.org.uk>  
Web: <https://www.lgpsregs.org/>

### Contact Details

Help desk arrangements and information are as follows:

Contact Type	From	To	Contact
		14:00	0116 3057886
MSS Helpdesk Phones	08:00		
Pensions Benefits Queries :		<a href="mailto:Pensionsbenefits@leics.gov.uk">Pensionsbenefits@leics.gov.uk</a>	
Email MSS Queries :		<a href="mailto:PensionsMSS@leics.gov.uk">PensionsMSS@leics.gov.uk</a>	
General Pensions Queries:		<a href="mailto:Pensions@leics.gov.uk">Pensions@leics.gov.uk</a>	
Address:		Pensions Section	
		Leicestershire County Council	
		County Hall	
		Glenfield	
		Leicester	
		LE3 8RB	

## External Audit Opinion

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To follow

## Additional Information

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### Internal Audit

#### The Role of Internal Audit

The Fund recognises the importance of monitoring and reporting how it delivers progress against the business plan. This is done on the following ways:

Performance against KPIs is reported to the Local Pension Board on a quarterly basis. The Pension Committee further receives regular updates. KPI performance is reported in the Fund's annual report. Plans to address any workloads are added to the business planning process above.

The Pension Manager monitors cost and resource levels to balance value for money with service delivery, which is set out elsewhere in the report.

#### Internal Audit Work Undertaken – 2024/25

Every year the Fund's internal auditors carry out reviews to provide assurance that the Fund's processes and systems are appropriate for managing risks. In total, seven assurance audits were undertaken in 2024/25. The assurance grading was overall positive and there were no high importance recommendations. Final reports for all completed audits were also shared with the Fund's External Auditor (Grant Thornton LLP) in order to inform their audit risk assessment in preparation for their annual audit of the Fund's accounts.

In the year, Internal Audit reviewed several areas of the Fund's administration and investment. These areas included, Contribution Banding Changes, Contribution Calculations, annual Pensions Increase, Pension Transfers, Pensions Dashboard Programme, Code of Practice and Investment Risks, including appointment of investment managers.

One planned audit was deferred into 2025/26, purely due to delayed developments nationally. Work was also undertaken on the biennial National Fraud Initiative (NFI) counter fraud data matching exercise. Reports for the latest exercise (2024/25) were released in January 2025, and investigations are currently ongoing. The next biennial exercise is due to be undertaken during 2026/27 with reports available around January 2027.

In addition, the Pension Service has continued to subscribe to the NFI Mortality Screening Service, where pension records are checked against the Department for Work and Pensions (DWP) Deceased Persons database. Following the success of the first exercise in June 2022, subsequent exercises, i.e.. June and November 2023 were expanded to include all pension records. The most recent exercise was undertaken in June 2024, which identified nine cases where payments had continued for deceased pensioners, totalling over £18K. Whilst the Risk Register is the responsibility of the Pensions Manager and is maintained and updated by him, Internal Audit continue to review and comment on any updates prior to Board and Committee meetings.

Regarding the internal audit arrangements for LGPS Central, ongoing collaborative work with partner fund internal auditors, continues with Leicestershire staff providing feedback to the wider Internal Audit Working Group (IAWG).

The first four-year cycle of agreed internal audits has now been completed, namely 2018/19 to 2022/23 as part of this arrangement, and a revised four-year plan of audit work from 2023/24 to 2027/28 has been agreed.

The 2024/25 audits were assigned to colleagues at Shropshire County Council (Investments), and Leicestershire County Council (Governance). The overall assurance level assigned for the Investments report was 'Good.' The Governance report has been completed, and a draft report is currently with the Governance Working Group members for comments.

At the end of August 2024, LGPS Central's Chief Legal, Compliance and Risk Officer issued an 'Assurance Pack' to support each Council's annual financial audit for the year to 31 March 2024. This contained: -

- LGPS Central Limited AAF 01/20 (Type 1) at 31 March 2024.
- A Supplemental Assurance Pack for the period to 31 March 2024; and
- Bridging Letters from the date of the last AAF 01/20 audit period to 31 March

The above information, i.e. Type 1 report was reviewed by the IAWG with further information requested from LGPS Central Limited to provide assurance on controls. A Type 2 report is due to be produced for the period April 2024 to March 2025. This should be available early July 2025.

### **Freedom of Information Requests summary**

All Freedom of Information requests are logged by Leicestershire County Council who keep a record of Freedom of Information requests and response in the disclosure log available [here](#).

<b>Area</b>	<b>2024/25</b>
<b>Investments</b>	<b>27</b>
<b>Administration</b>	<b>2</b>

# Glossary

A list of acronyms used within the report has been provided below:

AGM	Annual General Meeting	NAV	Net Asset Value
AVC	Additional Voluntary Contribution	NZCS	Net Zero Climate Strategy
CETV	Cash Equivalent Transfer Value	RI	Responsible Investing
CIPFA	The Chartered Institute of Public Finance and Accountancy	SAB	LGPS Scheme Advisory Board - England and Wales
CRR	Climate Risk Report	TCFD	Taskforce on Climate-related Financial Disclosures
MHCLG	Ministry of Housing, Communities and Local Government	TPR	The Pensions Regulator
ESG	Environmental, Social and Governance		
FCA	The Financial Conduct Authority		
FSS	Funding Strategy Statement		
FTE	Full Time Equivalent		
IDRP	Internal Disputes Resolution Procedure		
IFRS	International Financial Reporting Standards		
ISS	Investment Strategy Statement		
KPIs	Key Performance Indicators		
LAPFF	Local Authority Pension Fund Forum		
LGIM	Legal and General Investment Management		
LGPS	Local Government Pension Scheme		
LIBOR	London Interbank Offered Rate		
LPB	Local Pension Board		
LPC	Local Pension Committee		

## Appendix A – Administration Key Performance Indicators

**Table A - Total number of casework**

Ref	Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	175	986	986	100.00%	954	101.49%
A2	New dependent member benefits	0	329	329	100.00%	296	100.00%
A3	Deferred member retirements	120	1293	1343	103.87%	1382	93.94%
A4	Active member retirements	516	2136	2059	96.39%	1660	90.31%
A5	Deferred benefits	1274	2419	2485	102.73%	1948	92.76%
A6	Transfers in (including interfunds in, club transfers)	139	193	152	78.75%	112	72.73%
A7	Transfers out (including interfunds out, club transfers)	274	355	361	101.69%	359	77.20%
A8	Refunds	829	3991	4126	103.38%	3428	97.11%
A9	Divorce quotations issued	30	186	204	109.68%	153	84.53%
A10	Actual divorce cases	6	13	18	138.45%	1	16.6%
A11	Member estimates requested either by scheme member and employer	162	1328	1168	87.95%	1277	99.76%
A12	New joiner notifications	0	9733	9733	100.00%	9552	100.00%

Ref	Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A13	Aggregation cases	2014	5212	4906	94.13%	1004	49.12%
A14	Optants out received after 3 months membership	2	60	17	28.33%	11	45.83%

Table A Comment

A2 – No specific task for dependants – created as part of the deceased task – figures show Dependants created in period.

A12 – No specific task for new starters – created directly from i-connect – iconnect start date used for record creations.

A14 – Low numbers as cases are often created as Frozen cases.

Ref	Casework KPI	Suggested fund target*	% completed within fund target in year	% completed in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	32%	Not available
B2	Communication issued confirming the amount of dependents pension	10 days	61%	Not available
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 days	80%	Not available

B4	Communication issued to active member with pension and lump sum options (quotation)	15 days	80%	Not available
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 days	98%	Not available
B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 days	88%	Not available
B7	Payment of lump sum (both actives and deferreds)	15 days	93.7%	Not available
B8	Communication issued with deferred benefit options	30 days	25.2%	Not available
B9	Communication issued to scheme member with completion of transfer in	15 days	38.5%	Not available
B10	Communication issued to scheme member with completion of transfer out	15 days	50%	Not available
B11	Payment of refund	10 days	93.4%	Not available
B12	Divorce quotation	45 days	90.9%	Not available
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	82%	Not available
B14	Communication issued to new starters	40 days	47.5%	Not available
B15	Member estimates requested by scheme member and employer	15 days	46.2%	Not available

#### Table B Comments

Due to the pressure and complexity of McCloud some work areas had to be prioritised over others. The greatest impact was on dependent's pensions, transfers and deferred benefit options.





**Table C - Communications and engagement**

Ref	Engagement with online portals	Percentage as at 31 March
C1	% of active members registered	52.67%
C2	% of deferred member registered	37.13%
C3	% of pensioner and survivor members	51.04%
C4	% total of all scheme members registered for self-service	47.54%
C5	Number of registered users by age.	0-20 = 846 21-30 = 6537 31-40 = 14972 41-50 = 19903 51-60 = 26230 61-70 = 22361 71-80 = 13120 81-90 = 4878 Over 90 = 912
C6	% of all registered users that have logged onto the service in the last 12 months	61.20%
	<b>Communication</b>	
C7	Total number of telephone calls received in year	13,525
C8	Total number of email and online channel queries received	25,632
C9	Number of scheme member events held in year (total of in-person and online)	5
C10	Number of employer engagement events held in year (in-person and online)	40

C11	Number of active members who received a one-to-one (in-person and online)	71
C12	Number of times a communication (i.e. newsletter) issued to:	
	a) Active members	2
	b) Deferred members	2
	c) Pensioners	3

#### Table C Comments

C7 - Average queue waiting time: 1.54 mins / Average call time: 6.11 mins / Calls transferred: 327

C8 – Pensions Email Box 18,136 / MSS Email Box 7,496

#### Table D: Resources

Ref	Resources	
D1	Total number of all administration staff (FTE)	40.00
D2	Average service length of all administration staff	11.70 years
D3	Staff vacancy rate as %	2.50%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	2732:1
D5	Ratio of administration staff (excluding management) to total number of scheme members	3122:1

**Table E - Data Quality**

	<b>Annual Benefit Statements</b>	
E1	Percentage of annual benefit statements issued as at 31 August	100.00%
	Short commentary if less than 100%	Not Applicable
	<b>Data category</b>	
E3	Common data score	97.50%
E4	Scheme specific data score	96.73%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	2.20%
E6	Percentage of active, deferred and pensioner members with an email address held on file	53.33%
	<b>Employer performance</b>	
E7	Percentage of employers set up to make monthly data submissions	92.58%
E8	Percentage of employers who submitted monthly data on time during the reporting year	92.29% based on March 2025 return

## Appendix B: Governance Compliance Statement

This statement will be kept under review and will be revised and published following any material change in the governance arrangements of the Pension Fund.

The regulations require a statement as to the extent to which the governance arrangements comply with guidance issued by the Secretary of State. This guidance contains a number of best practice principles and these are shown below with the assessment of compliance.

Principle	Compliance/Comments
<b>Structure</b>	
The strategic management of fund assets clearly rests with the main committee established by the appointing council.	Fully compliant
That representatives of participating LGPS employers, admitted bodies and scheme members are members of the committee.	Fully compliant
That where a secondary committee has been established, the structure ensures effective communication across both levels.	Fully Compliant
That where a secondary committee has been established, at least one seat on the main committee is allocated for a member of the secondary committee.	Fully Compliant - All Investment Subcommittee will be full LPC members
<b>Representation</b>	
That all key stakeholders are afforded the opportunity to be represented within the main committee structure (including employing authorities, scheme members, independent professional observers and expert advisors)	Fully Compliant
That where lay members sit on a main committee, they are treated equally and are given full opportunity to contribute to decision making, with or without voting rights.	Fully Compliant
<b>Selection and Role of Lay Members</b>	
That committee members are fully aware of their status, role and function they are required to perform.	Fully Compliant
<b>Voting</b>	
The policy of the administering authority on voting rights is clear and transparent, including the justification for not extended voting rights to certain groups.	Fully Compliant
<b>Training/Facility Time/Expenses</b>	
That the policy applies equally to all members of committees.	Fully Compliant
<b>Meetings (frequency/quorum)</b>	
That the main committee meet at least quarterly	Fully Compliant
That secondary committees meet at least twice a year and the meetings are synchronised with the main committee.	The Investment Subcommittee meets regularly, so Fully Compliant
If lay members are not included in formal governance arrangements, a forum is available outside of these arrangements by which their interests can be represented.	Lay members are included on main committee, so not relevant.
<b>Access</b>	

That, subject to any rules in the Council's constitution, all members have equal access to committee papers, documents and advice that falls to be considered by the main committee.	Fully Compliant
Scope	
That administering authorities have taken steps to bring wider scheme issues within the scope of the governance arrangements.	Fully Compliant
Publicity	
That the administering authority have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Fully Compliant. A copy of this statement has been sent to all employing authorities.

## Appendix C: Meeting Attendance

The attendance figures for the Local Pension Committee and Investment Sub-Committee for 2024/25 are recorded in the table below:

	REPRESENTING	May - ISC	June - LPC	July - ISC	September - LPC	October - ISC	November - LPC	January - LPC	%
<b>VOTING MEMBERS (EMPLOYER REPRESENTATIVES)</b>									
<b>Mr. T. Barkley CC</b>	Administering Authority	✓	✓	✓	✓	✓	✓	✓	100%
<b>Mr. D. Bill CC</b>	Administering Authority	✓	x	✓	✓	✓	✓	x	71%
<b>Mr. D. Grimley CC</b>	Administering Authority	✓	x	✓	✓	x	✓	✓	71%
<b>Mr. P. King CC</b>	Administering Authority	\	x	\	x	\	✓	x	25%%
<b>Mrs. H. Fryer</b>	Administering Authority	\	✓	\	✓	\	✓	✓	100%
<b>Cllr. A. Clarke (to August 2024)</b>	Leicester City Council	✓	x	✓ (v)	x	\	\	\	50%
<b>Cllr. M. March (to June 2024)</b>	Leicester City Council	\	\	\	x	\	\	\	0%
<b>Cllr. G. Whittle (from September 2024)</b>	Leicester City Council	\	\	\	✓	✓	✓	x	75%
<b>Cllr. R. Denney</b>	District Representative	✓	x	✓	✓	x	✓	✓	71%
<b>Cllr. M. Cartwright</b>	District Representative	\	✓	\	✓	\	x	x	50%
<b>Mr. Z. Limbada (to May 2024)</b>	Universities Representative	✓	\	\	x	\	\	\	50%

	REPRESENTING	May - ISC	June - LPC	July - ISC	September - LPC	October - ISC	November - LPC	January - LPC	%
<b>Mr. J. M. Henry (from June 2024)</b>	Universities Representative	\	✓	x	✓	x	✓	✓	67%
<b>NON-VOTING MEMBERS (EMPLOYEE REPRESENTATIVES)</b>									
<b>Mr. N. Booth</b>	Employee Representative	\	✓	✓	x	\	✓	✓	80%
<b>Mr. C. Pitt</b>	Employee Representative	\	x	\	✓	✓	x	x	40%
<b>Mr. V. Bechar</b>	Employee Representative	x	✓	\	✓ (v)	\	x	✓ (v)	60%
<b>VOTING MEMBERS (EMPLOYER REPRESENTATIVES) SUBSTITUTES</b>									
<b>Mr. D. Harrison Substitute</b>	Administering Authority	\	\	\	✓ for Mr King	\	\	\	100%
<b>Mrs. B. Seaton – Substitute</b>		\	\	\	\	\	\	\	\
<b>Mr. C. Smith – Substitute</b>	Administering Authority	\	\	\	\	\	\	\	\
<b>Mrs. M. Wright – Substitute</b>		\	✓ for Mr. Grimley	\	\	\	\	✓ for Mr King	100%

(v) = Members attended virtually online, but in line with regulations are not classed as being formally in attendance and were not allowed to vote on any matters arising during the meeting.

\ = Not a member at the time, or not required.

## Appendix D: Training Attendance

### Local Pension Committee 2024/25

		Joint Training – Hymans Modules – April 2024	Joint Training – Hymans Modules – May 2024	LGPS Central RI Summit	Infrastructure – LGPS Central	Joint Training – Hymans Modules – September 2024	LGPS Fundamentals Training	Joint Training – Hymans Modules – November 2024	Climate Update – LGPS Central	LGPS Online Learning Academy – Conflict of Interest – Hymans	Asset Class and SAA
Mr. T. Barkley CC	Leicestershire County Council	✓	✓	x	✓	✓	✓	✓	✓	✓	✓
Mr. D. Bill CC	Leicestershire County Council	✓	x	x	x	✓	\	✓	✓	\	x
Mr. D. Grimley CC	Leicestershire County Council	x	x	x	x	x	\	✓	✓	\	✓
Mr. P. King CC	Leicestershire County Council	✓	✓	x	x	✓	\	✓	✓	\	x
Mrs. H. Fryer CC	Leicestershire County Council	✓	✓	x	✓	✓	\	✓	✓	\	✓
Cllr. A. Clarke (to August 2024)	Leicester City Council	✓	x	x	x	\	\	\	\	\	\
Cllr. M. March (to June 2024)	Leicester City Council	x	x	x	\	\	\	\	\	\	\
Cllr. G. Whittle (from September 2024)	Leicester City Council	\	\	\	\	x	✓	x	✓	✓	x
Cllr. R. Denney (from June 2023)	District Representative	x	x	x	x	x	\	x	✓	\	✓
Cllr. M. Cartwright (from June 2023)	District Representative	✓	✓	x	✓	✓	\	✓	x	\	x
Mr. Z. Limbada (to May 2024)	University Representative	x	\	x	\	\	\	\	\	\	\
Mr. J. M. Henry	University Representative	x	x	x	✓	x	\	x	✓	\	✓
Mr. N. Booth (from 2023 AGM)	Employee Rep Elected 2023 AGM	x	✓	x	✓	x	\	x	✓	✓	✓



<b>Mr. C. Pitt</b>	Employee Rep Elected 2022 AGM	✓	x	x	x	x	✓	✓	x	\	x
<b>Mr. V. Bechar (from 2023 AGM)</b>	Employee Rep Elected 2023 AGM for 1 year	x	x	✓	✓	x	\	x	x	\	x
<b>Mr. D. Harrison (from January 2023) - Substitute</b>	Leicestershire County Council	\	\	x	\	✓	\	\	\	\	\
<b>Mrs. B. Seaton (from July 2024) Substitute</b>	Leicestershire County Council	\	\	\	\	\	\	\	\	\	\
<b>Mr. C. Smith (from January 2023) - Substitute</b>	Leicestershire County Council	\	\	x	\	\	\	\	\	\	\
<b>Mrs. M. Wright (from May 2024) – Substitute</b>	Leicestershire County Council	\	✓	x	✓	\	\	✓	\	\	✓

\ = Not a member at the time, or not required.

## Training for the Investment Sub-Committee 2024/25

INVESTMENT SUB-COMMITTEE TRAINING		Protection Assets	LGPS Infrastructure Assets	Bank Risk Share Investments
		1 May 2024	24 July 2024	2 October 2024
Mr. T. Barkley CC	Administering Authority	✓	✓	✓
Mr. D. Bill CC	Administering Authority	✓	✓	✓
Mr. D. Grimley CC	Administering Authority	✓	✓	x
Cllr. R. Denney (from June 2023)	District Representative	✓	✓	x
Cllr. A. Clarke (to August 2024)	Leicester City Council	✓	✓ - virtual	\
Cllr. G. Whittle (from September 2024)	Leicester City Council	\	\	✓
Mr. Z. Limbada (to May 2024)	University Representative	✓	\	\
Mr. J. M. Henry (from June 2024)	University Representative	\	x	x
Mr. N. Booth – on rotation	Employee Representative	\	✓	\
Mr. C. Pitt – on rotation	Employee Representative	\	\	✓
Mr. V. Bechar – on rotation	Employee Representative	x	\	\

\ = Not a member at the time, or not required.

## Hymans Robertson Aspire Training – the Local Pension Committee Members 2024/25

The table below show training undertaken by members following the updating of modules in June 2023.

	1 - Committee Role and Pensions Legislation	2 - Pensions Governance	3 - Pensions Administration	4 - Pensions Accounting and Audit Standards	5 - Procurement and Relationship Management	6 - Investment Performance and Risk Management	7 - Financial Markets and Product Knowledge	8 - Actuarial methods, Standards and Practices
Mr. T. Barkley CC	C	C	C	C	C	C	C	C
Mr. D. Bill CC	C	E	C	E	C	C	C	C
Mr. D. Grimley CC	C	C	C	C	C	C	C	C
Mr. P. King CC	C	C	C	C	C	C	C	C
Mrs. H. Fryer CC (from May 2024)	C	C	C	C	C	C	C	C
Cllr. A. Clarke (to August 2024)	E	E	C	E	C	E	E	E
Cllr. M. March (to June 2024)	E	E	E	E	E	E	E	E
Cllr. G. Whittle (from September 2024)	C	C	C	C	C	C	C	C
Cllr. R. Denney	C	C	C	C	C	C	C	C
Cllr. M. Cartwright	C	C	C	C	C	C	C	C
Mr. N. Booth	C	C	C	C	C	C	C	C
Mr. V. Bechar	C	C	C	C	C	C	C	C
Mr. C. Pitt	C	C	C	C	C	C	C	C
Mr. Z. Limbada (to May 2024)	E	E	E	E	E	E	E	E
Mr. J. M. Henry (from June 2024)	C	C	C	C	C	C	C	C

E – Enrolled C – Completed

## Appendix E: Employer List by Type, Active, Admission, Cease

Employer Name	Employer Type	Employer Sub Type	Actives	Admission Date	Admission Cease Date
<b><u>Scheduled Bodies</u></b>					
Leicestershire CC	Scheduled Body	--	TRUE		
Leicester City Council	Scheduled Body	--	TRUE		
Blaby District Council	Scheduled Body	--	TRUE		
Charnwood Borough Council	Scheduled Body	--	TRUE		
Harborough District Council	Scheduled Body	--	TRUE		
Hinckley and Bosworth BC	Scheduled Body	--	TRUE		
Melton BC	Scheduled Body	--	TRUE		
North West Leics DC	Scheduled Body	--	TRUE		
Oadby and Wigston BC	Scheduled Body	--	TRUE		
Rutland CC	Scheduled Body	--	TRUE		
The Chief Constable & The OPCC	Scheduled Body	--	TRUE		
Leics Fire Service (Civilians)	Scheduled Body	--	TRUE		
East Midland Shared Services	Scheduled Body	--	TRUE		

ESPO	Scheduled Body	--	TRUE	
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#### **Further Education Bodies**

Loughborough University	Admission Body (CAB)	Higher Education (Uni)	TRUE	Pre 1972
SMB Group(Brook/Melton/Steph)	Scheduled Body	Further Education	TRUE	31-Mar-05
Loughborough College of FE	Scheduled Body	Further Education	TRUE	01-Apr-93
South Leics College	Scheduled Body	Further Education	TRUE	01-Apr-93
WQE and Regent College Group	Scheduled Body	Further Education	TRUE	01-Apr-93
Leicester College	Scheduled Body	Further Education	TRUE	31-Mar-05
Leics De Montfort University	Scheduled Body	Higher Education (Uni)	TRUE	06-Apr-78

#### **Academies**

Uppingham Community College	Scheduled Body	Academy	TRUE	01-Apr-93
Better Futures MAT (Gateway)	Scheduled Body	Academy	TRUE	01-Apr-93
Rutland&District Schools Fed	Scheduled Body	Academy	TRUE	01-Sep-96
Tudor Grange Academies Trust	Scheduled Body	Academy	TRUE	01-Jan-07
Casterton B&EC AT	Scheduled Body	Academy	TRUE	01-Apr-96

Welland Park CC	Scheduled Body	Academy	TRUE	01-Aug-11
Lutterworth High School	Scheduled Body	Academy	TRUE	01-Aug-11
OAK Multi Academy Trust	Scheduled Body	Academy	TRUE	01-Aug-11
Brooke Hill Academy	Scheduled Body	Academy	TRUE	01-Sep-11
Avanti Schools Trust	Scheduled Body	Academy	TRUE	01-Sep-11
The Mowbray Education Trust	Scheduled Body	Academy	TRUE	01-Nov-11
Woodbrook Vale School	Scheduled Body	Academy	TRUE	01-Sep-11
Stephenson Studio School	Scheduled Body	Academy	FALSE	01-Mar-12
Forest Way School	Scheduled Body	Academy	TRUE	01-Mar-12
LIFE Academy Trust	Scheduled Body	Academy	TRUE	01-Apr-12
Bradgate Education Partnership	Scheduled Body	Academy	TRUE	01-Apr-12
Redmoor Academy	Scheduled Body	Academy	TRUE	01-Apr-12
The Market Bosworth School	Scheduled Body	Academy	TRUE	01-May-12
Symphony Learning Trust	Scheduled Body	Academy	TRUE	01-Jun-12
Open Thinking Partnership	Scheduled Body	Academy	TRUE	01-Jun-12
Gartree High School	Scheduled Body	Academy	TRUE	01-Jun-12
Lutterworth Academies Trust	Scheduled Body	Academy	TRUE	01-Jun-12

28-Jun-24

Learn Academies Trust	Scheduled Body	Academy	TRUE	01-Jul-12
Discovery Schools Acad Trust	Scheduled Body	Academy	TRUE	01-Jul-12
Long Field Academy	Scheduled Body	Academy	TRUE	01-Sep-12
Futures Trust (Hinckley Acad)	Scheduled Body	Academy	TRUE	01-Jul-12
St Thomas Aquinas CMAT	Scheduled Body	Academy	TRUE	01-Jul-12
Brookvale Groby Learning Trust	Scheduled Body	Academy	TRUE	01-Jul-12
The Success Academy Trust	Scheduled Body	Academy	TRUE	01-Aug-12
Embrace AT	Scheduled Body	Academy	TRUE	01-Aug-12
Lady Jane Grey Primary Academy	Scheduled Body	Academy	TRUE	01-Oct-12
Castle Donington College(EMET)	Scheduled Body	Academy	TRUE	01-Oct-12
Birkett House School	Scheduled Body	Academy	TRUE	01-Nov-12
Church Hill CofE Junior School	Scheduled Body	Academy	TRUE	01-Nov-12
Wigston Academies Trust	Scheduled Body	Academy	TRUE	01-Apr-12
Queensmead Primary Academy	Scheduled Body	Academy	TRUE	01-Nov-12
Rendell Primary School	Scheduled Body	Academy	TRUE	01-Nov-12
Barwell CofE Academy	Scheduled Body	Academy	TRUE	01-Nov-12

Holywell Primary School	Scheduled Body	Academy	TRUE	01-Nov-12
Lift Schools	Scheduled Body	Academy	TRUE	01-Dec-12
Outwoods Edge Primary School	Scheduled Body	Academy	TRUE	01-Dec-12
LEAD Academy Trust	Scheduled Body	Academy	TRUE	01-Jan-13
Stonebow Primary School	Scheduled Body	Academy	TRUE	01-Feb-13
Rise A CofE MAT	Scheduled Body	Academy	TRUE	01-Mar-13
Asfordby Hill Primary School	Scheduled Body	Academy	TRUE	01-Mar-13
South Charnwood High School	Scheduled Body	Academy	TRUE	01-Apr-13
Lionheart Academies Trust	Scheduled Body	Academy	TRUE	01-May-13
The Pastures Primary School	Scheduled Body	Academy	TRUE	01-May-13
Battling Brook Primary School	Scheduled Body	Academy	TRUE	01-Jun-13
Scholars Academy Trust	Scheduled Body	Academy	TRUE	01-Jun-13
Thringstone Primary School	Scheduled Body	Academy	TRUE	01-Jun-13
Odyssey Educational Trust	Scheduled Body	Academy	TRUE	01-Aug-13
The OWLS AT	Scheduled Body	Academy	TRUE	01-Jul-13
Inspiring Primaries AT	Scheduled Body	Academy	TRUE	01-Jul-13



Rothley CofE Primary School	Scheduled Body	Academy	TRUE	01-Jul-13
Hastings High School	Scheduled Body	Academy	TRUE	01-Sep-13
Old Dalby CofE Primary School	Scheduled Body	Academy	TRUE	01-Sep-13
Stanton under Bardon Primary	Scheduled Body	Academy	TRUE	01-Oct-13
Hall Orchard Primary School	Scheduled Body	Academy	TRUE	01-Oct-13
Kirby Muxloe Primary School	Scheduled Body	Academy	TRUE	01-Nov-13
Robert Bakewell Primary School	Scheduled Body	Academy	TRUE	01-Dec-13
Falcon Primary School	Scheduled Body	Academy	TRUE	26-Aug-14
David Ross Education Trust	Scheduled Body	Academy	TRUE	01-Sep-14
Ryhall CE Academy	Scheduled Body	Academy	TRUE	01-Oct-14
The Rutland Learning Trust	Scheduled Body	Academy	TRUE	01-Oct-14
Townlands CofE Primary Academy	Scheduled Body	Academy	TRUE	01-Jan-15
The Mead Educational Trust	Scheduled Body	Academy	TRUE	01-Nov-15
Learning Without Limits AT	Scheduled Body	Academy	TRUE	01-Oct-16
The Priory AT Belvoir Academy	Scheduled Body	Academy	TRUE	01-Oct-17
Nova Ed Trust (Melton Vale)	Scheduled Body	Academy	TRUE	01-Oct-17

Attenborough Learning Trust	Scheduled Body	Academy	TRUE	01-Apr-19
St Mary & St John Rutland	Scheduled Body	Academy	TRUE	01-Apr-20
Aspire Learning Partnership	Scheduled Body	Academy	TRUE	01-Jun-23
United Learning Trust	Scheduled Body	Academy	TRUE	01-Dec-23
<b><u>Resolution Bodies</u></b>				
Mountsorrel PC	Resolution Body	--	TRUE	14-Sep-73
Shepshed TC	Resolution Body	--	TRUE	01-Oct-82
Ashby Town Council	Resolution Body	--	TRUE	30-Jun-85
Lutterworth TC	Resolution Body	--	TRUE	10-Jan-90
Glen Parva PC	Resolution Body	--	TRUE	01-Apr-95
Braunstone Town Council	Resolution Body	--	TRUE	01-Feb-00
Thurmaston Parish Council	Resolution Body	--	TRUE	02-Apr-01
Countesthorpe PC	Resolution Body	--	TRUE	01-Nov-01
Broughton Astley PC	Resolution Body	--	TRUE	01-Jan-04
Anstey Parish Council	Resolution Body	--	TRUE	31-Mar-97
Sileby Parish Council	Resolution Body	--	TRUE	01-May-97

Syston Town Council	Resolution Body	--	TRUE	01-Jul-98
Kirby Muxloe PC	Resolution Body	--	TRUE	01-Aug-04
Leics Forest East PC	Resolution Body	--	TRUE	01-Apr-05
Whetstone PC	Resolution Body	--	TRUE	01-Jul-05
Oakham Town Council	Resolution Body	--	TRUE	01-Dec-05
Ashby Woulds Town Council	Resolution Body	--	TRUE	01-May-07
Market Bosworth PC	Resolution Body	--	TRUE	01-Jun-07
Barwell Parish Council	Resolution Body	--	TRUE	01-Apr-13
Blaby Parish Council	Resolution Body	--	TRUE	01-Jan-14
Bagworth & Thornton PC	Resolution Body	--	TRUE	01-Apr-16
Thurcaston & Cropston PC	Resolution Body	--	TRUE	01-Oct-16
Groby Parish Council	Resolution Body	--	TRUE	01-Feb-17
Enderby Parish Council	Resolution Body	--	TRUE	01-Feb-17
East Goscote Parish Council	Resolution Body	--	TRUE	01-Apr-17
Bottesford Parish Council	Resolution Body	--	TRUE	01-Jan-21
Scraptoft Parish Council	Resolution Body	--	TRUE	01-Oct-18

Croft Parish Council	Resolution Body	--	TRUE	01-Jan-23
Dadlington & Sutton Cheney PC	Resolution Body	--	TRUE	01-Apr-24
<b><u>CABs</u></b>				
EMH Homes	Admission Body (CAB)	--	TRUE	01-Oct-11
Melton Learning Hub	Admission Body (CAB)	--	TRUE	01-Apr-11
<b><u>TABs</u></b>				
Rushcliffe Care Ltd	Admission Body (TAB)	--	TRUE	08-Mar-04
SLM (Blaby DC 2006 contract)	Admission Body (TAB)	--	TRUE	03-Jul-06
G4S (City Council)	Admission Body (TAB)	--	TRUE	19-Dec-07
Capita IT City of Leicester	Admission Body (TAB)	--	TRUE	01-Jan-14
Idverde Ltd (formerly Quadron)	Admission Body (TAB)	--	TRUE	01-Apr-14
Chartwells(LeicsCC Ravenhurst)	Admission Body (TAB)	--	TRUE	01-Sep-15
Solo Service Group (Leics CC)	Admission Body (TAB)	--	TRUE	01-Aug-16
SLM (O&W BC)	Admission Body (TAB)	--	TRUE	01-Aug-18
SLM (North West DC)	Admission Body (TAB)	--	TRUE	01-May-19

SLM (Blaby DC 2019 contract)	Admission Body (TAB)	--	TRUE	01-Apr-19
Govindas Limited	Admission Body (TAB)	--	TRUE	01-Nov-18
Aspens (Nova ET)	Admission Body (TAB)	--	TRUE	27-Aug-19
Coombs Catering Ltd (Ashby Hilltop)	Admission Body (TAB)	--	TRUE	01-Oct-20
Caterlink (Tudor Grange AT)	Admission Body (TAB)	--	TRUE	01-Aug-20
OCS Food (Soar & Moat)	Admission Body (TAB)	--	FALSE	01-Jan-21
Mitie Care (Chief Constable)	Admission Body (TAB)	--	TRUE	17-Sep-20
Compass Services (City, Shaf)	Admission Body (TAB)	--	TRUE	12-Apr-21
Caterlink (DRET)	Admission Body (TAB)	--	TRUE	04-Apr-20
OCS Food (City of Leicester)	Admission Body (TAB)	--	FALSE	13-Feb-21
Hutchison Catering (Lift Schs)	Admission Body (TAB)	--	TRUE	07-Jan-22
Compass Services (City, Marr)	Admission Body (TAB)	--	TRUE	23-Aug-21
Taylor Shaw Limited (MET)	Admission Body (TAB)	--	TRUE	01-Aug-21
Caterlink (Odyssey - Humb Prim)	Admission Body (TAB)	--	FALSE	01-Jan-22
MCS Cleaning (South Charnwood 2021)	Admission Body (TAB)	--	TRUE	01-Sep-21
Turning Point (County 2022)	Admission Body (TAB)	--	TRUE	01-Apr-22
Turning Point (City 2022)	Admission Body (TAB)	--	TRUE	01-Apr-22
Cucina (Lutterworth AT)	Admission Body (TAB)	--	TRUE	08-Apr-22

21-Aug-24

21-Aug-24

31-Dec-24

Total Swim (Life MAT)	Admission Body (TAB)	--	TRUE	07-Jun-21
Freshstart (LWLAT)	Admission Body (TAB)	--	FALSE	03-Jan-23
Caterlink (City, Granby)	Admission Body (TAB)	--	TRUE	01-Aug-22
Caterlink (City, St Barnabas)	Admission Body (TAB)	--	TRUE	01-Aug-22
Coombs Catering (Hastings Sch)	Admission Body (TAB)	--	TRUE	10-Jul-22
Capita (ex Charnwood 2020)	Admission Body (TAB)	--	FALSE	01-May-20
Ingeus (LCC)	Admission Body (TAB)	--	TRUE	01-Apr-22
Aramark (NWSLC (LCC))	Admission Body (TAB)	--	FALSE	01-Oct-22
Churchill Contract (Lift Schs)	Admission Body (TAB)	--	TRUE	01-Sep-22
Caterlink (Bradgate EP IH)	Admission Body (TAB)	--	TRUE	01-Aug-22
Caterlink (Bradgate EP (LCC))	Admission Body (TAB)	--	TRUE	01-Aug-22
Compass (MEAD ET) Primary	Admission Body (TAB)	--	TRUE	01-Aug-22
Compass (MEAD ET) Secondary	Admission Body (TAB)	--	TRUE	01-Aug-22
Compass (Rich Hill (Vines AT))	Admission Body (TAB)	--	TRUE	24-Aug-21
Dolce (LCC Belvoirale Sch)	Admission Body (TAB)	--	TRUE	13-Jul-23
Caterlink (City, Mellor)	Admission Body (TAB)	--	TRUE	01-Aug-22
CleanTEC (Bradgate EP-Wreake)	Admission Body (TAB)	--	TRUE	01-Aug-23
Coombs (LCC, Hemington)	Admission Body (TAB)	--	TRUE	01-Apr-23

30-Sep-24

31-Oct-24

25-Oct-24

Coombs (LCC, St Edward's)	Admission Body (TAB)	--	TRUE	01-Apr-23
Dolce (LCC, Sir John Moore)	Admission Body (TAB)	--	TRUE	13-Oct-23
Coombs (Lionheart ET)	Admission Body (TAB)	--	TRUE	01-Oct-23
CSE (TGAT, Samworth Acad) 2023	Admission Body (TAB)	--	TRUE	01-Sep-23
Coombs (VofB - LCC Schools)	Admission Body (TAB)	--	TRUE	01-Oct-23
Caterlink (Cobden Primary)	Admission Body (TAB)	--	TRUE	01-Aug-23
Relish (Symphony LT)	Admission Body (TAB)	--	TRUE	14-Oct-23
Coombs (VofB - Old Dalby)	Admission Body (TAB)	--	TRUE	01-Oct-23
Voluntary Action Leic (2023)	Admission Body (TAB)	--	TRUE	01-Oct-23
Aspens (City, Herrick)	Admission Body (TAB)	--	TRUE	01-Sep-22
CleanTEC (Lionheart ET)	Admission Body (TAB)	--	TRUE	01-Sep-23
BAM FM (Tudor Grange AT)	Admission Body (TAB)	--	TRUE	01-Aug-23
Bradgate Park Trust (2023)	Admission Body (TAB)	--	TRUE	01-Oct-23
Taylor Shaw (United Learning)	Admission Body (TAB)	--	TRUE	01-Dec-23
Relish (LCC, Be Skilled Group)	Admission Body (TAB)	--	TRUE	15-Jul-23
Caterlink (City, Hazel)	Admission Body (TAB)	--	TRUE	01-Aug-24

Innovate Services (Aspire LP)	Admission Body (TAB)	--	TRUE	22-Aug-24
Coombs (LCC, St Bartholomew's)	Admission Body (TAB)	--	TRUE	01-Jan-24
Caterlink (BEP, Mountfields)	Admission Body (TAB)	--	TRUE	01-Apr-24
ABM (City, Crown Hills)	Admission Body (TAB)	--	TRUE	01-Jan-24
Dolce (Discovery Trust)	Admission Body (TAB)	--	TRUE	01-Aug-24
Dolce (Badgerbrook PS)	Admission Body (TAB)	--	TRUE	01-Aug-24
Hands (Cleaners) (City, LPS)	Admission Body (TAB)	--	TRUE	11-Nov-24
CleanTEC (LWLAT)	Admission Body (TAB)	--	TRUE	01-Oct-24
Dolce (LCC, Little Bowden Sch)	Admission Body (TAB)	--	TRUE	01-Jan-25
Relish (RISE)	Admission Body (TAB)	--	TRUE	26-Aug-24
Coombs (Odyssey Trust)	Admission Body (TAB)	--	TRUE	01-Jan-25
Aspens (ALT, Uplands Inf)	Admission Body (TAB)	--	TRUE	29-Mar-25
Aspens (Attenborough Trust)	Admission Body (TAB)	--	TRUE	29-Mar-25
Aspens (LEAD AT, Uplands Jr)	Admission Body (TAB)	--	TRUE	29-Mar-25
Dolce (Discovery, Ashfield)	Admission Body (TAB)	--	TRUE	22-Feb-25
Relish (City, Rolleston PS)	Admission Body (TAB)	--	TRUE	01-Jan-25



Kindred (The Futures Trust)	Admission Body (TAB)	--	TRUE	01-Feb-25
Miquill Catering (Learn AT 1)	Admission Body (TAB)	--	TRUE	15-Feb-25

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## **LEICESTERSHIRE PENSION FUND AGM – 15 DECEMBER 2025**

### **REPORT OF THE LOCAL PENSION BOARD**

#### **ANNUAL REPORT 2024/2025**

##### **Purpose of the Report**

1. The purpose of this report is to present to the Annual Report of the Local Pension Board for 2024/25.

##### **Background**

2. The Public Service Pensions Act 2013 requires the establishment of Local Pension Boards to assist local authorities with the effective management of local pension funds. The Department for Housing, Communities and Local Government (now the Department for Levelling Up, Housing and Communities) has issued regulations and reporting guidelines concerning the implementation of Local Pension Boards.
3. As part of the Fund's Independent Governance Review undertaken in 2020 a recommendation was for the Board to write an Annual Report as part of best practice. The report provides a summary of the work carried out by the Board, covering the period from April 2024 to March 2025.
4. The Annual Report was approved by the Local Pension Board on 3 September 2025.

##### **Recommendation**

5. That the Local Pension Board Annual Report for 2024/25 be noted.

##### **Equality Implications**

6. There are no equality implications arising from the report.

##### **Human Rights Implications**

7. There are no human rights implications arising from the report.

**Appendix**

Pension Board Annual Report

**Officers to Contact**

Ian Howe  
Pensions Manager  
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Angie Smith  
Democratic Services Officer  
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Email: [Angie.Smith@leics.gov.uk](mailto:Angie.Smith@leics.gov.uk)



LOCAL PENSION BOARD  
ANNUAL REPORT  
YEAR ENDED 31 MARCH 2025

## Foreword by the Chair of the Local Pension Board

On behalf of the Local Pension Board, I am delighted to be able to present the sixth Annual Report of the Local Pension Board of the Leicestershire Pension Fund. This report covers the period from 1 April 2024 to 31 March 2025, to align with the Fund's Annual Report.

As a defined benefit scheme for our 109,262 members, the Leicestershire Pension Fund pays scheme members a retirement income based on salary and the number of years worked for the employer. The Fund invests contributions made by employers into long term investments, and though the market will always fluctuate, investment performance does not affect members' pensions. As of 31 March 2025, the Fund contained £6.7billion of assets.

Throughout the year we have complemented the Administering Authority, ensuring compliance with the Public Service Pensions Act, the LGPS Advisory Board, the Chartered Institute of Public Finance and Accounting (CIPFA) and The Pensions Regulator.

The Board has, over the course of the year, received regular updates on the implementation of the McCloud Remedy, which came into force on 1 October 2023 and continues to be the biggest pension administration challenge.

The Board has no concerns about the Leicestershire Pension Fund or its Administration, though it will continue to monitor the welfare of the pension officers in administering the McCloud remedy, and any future legislative requirements on the Fund. We will continue to support the Pensions Manager, and we are confident he will continue to administer the Fund efficiently and effectively despite ongoing pressures.

To keep the Annual Report succinct, it is difficult to reflect the variety of issues we have considered during another busy year. Further information about the Board's work can be found on the [website](#). Despite the continual challenges, I am looking forward to another successful year ahead.

I would like to place on record the Board's appreciation for the support and transparent advice of the officers.

I would also like to take this opportunity to convey my heartfelt appreciation to the former Chairman of the Local Pension Board, Mrs. Rosita Page CC, for her contributions and leadership on the Board.



**Mr. Manjit Singh Saroya**

Chairman of the Local Pension Board

Approved: 3 September 2025

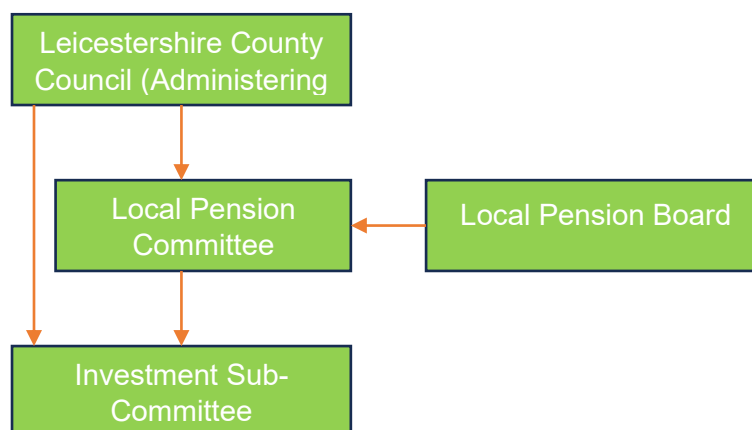
## What is the Local Pension Board

The Board was established in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 to assist the Administering Authority in:

- securing compliance with the Regulations, other legislation relating to the governance and administration of the LGPS, and the requirements imposed by the Pension Regulator in relation to the LGPS; and
- ensuring the effective and efficient governance and administration of the LGPS.

While the Local Pension Board was established by the County Council, it does not sit within the typical arrangements that apply to local authority committees, including those that apply to the Local Pension Committee. Instead, the Board operates outside of the usual local authority committee structure and serves an advisory and compliance role for the Fund as set out within its Terms of Reference. The Board cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority. However, it does perform activities which support the Local Pension Committee, and it can escalate issues with the Committee and the Pensions Regulator where it expresses concern.

The structure of the Fund is set out below.



The Local Pension Board is comprised of:

- Three employee representatives and
- Three employer representatives.

The current Members of the Board are as detailed below:

Employer Representatives

**Mr. Peter Morris CC**

*Leicestershire County Councillor*

**Vacancy**

*Leicestershire County Councillor*

**Cllr. Elly Cutkelvin**

*Leicester City Councillor*

Employee Representatives

**Mr. Manjit Singh Saroya – Chairman**

**Mr. Anthony Cross**

**Mrs. Ruth Gilbert**

Details of how the Members of the Local Pensions Board are appointed can be found in its [Terms of Reference](#).

## Member Attendance

The Board has met on four occasions during the year and attendance has been positive with employer and employee representatives freely giving their time and commitment as shown in the table below.

2023/24		REPRESENTING				
		APRIL	JULY	OCTOBER	FEBRUARY	%
<b>Mrs. R. Page</b>	Administering Authority	✓	✓	✓	✓	100%
<b>MR. R. Shepherd</b>	Administering Authority	x	✓	✓	✓	75%
<b>Cllr. E. Cutkelvin</b>	Leicester City Council	x	x	✓	x	25%
<b>Mr. M. Singh Saroya</b>	Employee Representative	✓	x	✓	✓	75%
<b>Mrs. R. Gilbert</b>	Employee Representative	✓	x	✓	✓	75%



<b>Mr. A. Cross</b>	Employee Representative	✓	✓	✓	✓	100%
<b>Mr. A. Stewart (Reserve)</b>	Employee Representative	\	✓	In attendance	In attendance	100%

## Highlights

Full details of the Board's work can be found on the Council's [website](#). A summary is provided below.

### Pension Fund Administration

The Pensions Manager provided regular reports and gave updates on the main administrative actions, covering governance areas including the administration of the Fund benefits and the performance of the Pensions Section against its performance indicators.

### The Pension Regulators Code of Practice

We received a summary of Fund Officers' initial view of compliance in respect of The Pension Regulator's General Code of Practice, and were pleased to note that compliance or partial compliance with the initial assessment across all relevant subject areas was largely met. Officers worked to become fully compliant with the Code over the year.

### Risk Management and Internal Controls

Throughout the year we continued to review the risk register at each of our meetings.

We continued to monitor risks in investment, liability, employer, governance, operational and regulatory areas, for example, the need to receive timely and accurate data from employers, in order for scheme member benefits to be correct and paid on time.

The Board received information on the internal audit arrangements for the Fund and LGPS Central.

### Pension Fund Business Plan and Budget 2025/26

Prior to the Budget and Business Plan's consideration and approval by the Local Pension Committee, the Board scrutinised the report.

We questioned the significant pressure on the Pension Section resultant from pieces of work over and above business as usual, the most significant including implementing a solution for the national Pensions Dashboards, phase two of the McCloud implementation, implementation of a replacement Member Self-Service solution and website, and implementation of the Fund valuation. The Pension

Manager advised that the management team would continue to monitor all areas of work.

### **Pension Fund Annual Report and Accounts 2023/24**

The Board's comments were sought on the report in its role in assisting the administering authority in ensuring the effective and efficient governance and administration of the Fund.

### **Pension Fund Policy Report**

We received an annual report of the Pension Fund's current strategies and policies, and were pleased to hear that there were no breaches of law during 2024/25 that were considered material.

### **Funding Risk Update and 2025 Valuation Planning**

The Board's comments were sought on changes to the funding environment since the 2022 valuation, the risks raised by the Fund, and the actions to be taken to help manage the risks as part of the 2025 valuation.

### **Local Government Pension Scheme**

The Board will continue to receive and monitor updates on current development across the Local Government Pension Scheme following the 2024 General Election, and the Government's 'Fit for the Future' consultation.

### **Consultation: Fit for the Future**

The Board expressed concern about the Government directing LGPS funds on where they should invest, and noted that, if brought in by regulation or Government recommendation, it would require a plan on investing 5% of assets in UK Levelling Up projects. The Board were assured the Fund had already met the requirement.

### **Looking ahead to 2025/26**

The Board will maintain oversight of the Fund and continue to receive regular reports on admin, governance and risk.

It is clear that there are a lot of policies, initiatives and schemes in the pipeline outside of the Fund's control which we will monitor and support implementation of given the impact it may have on already heavy administration pressure. This will include the 2025 Valuation, the Government's Pension Dashboard scheme, the continued impact of the McCloud Remedy, as well as changes to legislation as and when required.

## Issues of Concern

The Board has a responsibility to report any matter that appears to be materially significant.

There were no significant issues of concern raised with, or by the Board, throughout the year. Furthermore, no issues were escalated to the Local Pension Committee.

## Training

We considered a revised Training Policy and training plan for 2025, the requirements for which are set out in the terms of reference for the Board, and applies to all members of the Local Pension Committee, Local Pension Board and senior officers involved in the management and administration of the Fund. The Policy has regard to relevant codes of practice and guidelines issued by the Pensions Regulator, CIPFA, the training needs of the Committee and Board and the Fund's current priorities.

The 2013 Public Service Pension Act requires that members of Local Pension Boards have an appropriate level of knowledge and understanding in order to carry out their role. Any individual appointed to a Local Pension Board must be conversant with:

- The regulations of the Local Government Pension Scheme, including historical regulations and transitional provisions, to the extent that they still affect members;
- Any document recording policy about the administration of the scheme Local Pension Board members must also have knowledge and understanding of the law relating to pensions; and
- Such other matters as may be prescribed in other legislation.

The degree of knowledge and understanding required by Board members is appropriate for the purposes of enabling the individual to properly exercise the functions of the Board. The Leicestershire Pension Fund is committed to supporting Board members to achieve the requisite level of knowledge and understanding through the provision of training in line with its Policy.

Members of the Board complete self-evaluation forms on an annual basis assessing their knowledge in terms of general understanding, funding and pension administration. A personal training plan is then developed for each Member based on the results of these assessments and is supplemented, where appropriate, to cover matters arising over the course of managing the Fund, as part of reports to the Board, and following meetings.

Given there have been several recent changes both within the LGPS, and externally in the broader pension's environment, all Local Pension Board Members are encouraged to complete training provided by the Fund's independent advisor, Hymans Robertson - Aspire Website online module training, as well as other external training as provided by the Scheme Advisory Board, Local Government Association, and LGPS Central.

The Fund has historically reported training undertaken as best practice and was ahead of the Government's proposal that each administering authority should report regularly on training undertaken, and are compliant with the General Code of Practice requirements. The attendance log for training undertaken outside of Board Meetings is as follows:

2024 – 2025		Joint Training – Hymans Modules – April 2024	Joint Training – Hymans Modules – May 2024	Joint Training – Hymans Modules – September 2024	Joint Training – Hymans Modules – November 2024	LGPS Online Learning Academy – Conflict of Interest – Hymans Robertson	LGPS Governance Training	Payment of Transfers of Pension Rights
<b>Mrs. R. Page</b>	Administering Authority	x	X	✓	✓	\	\	✓
<b>Mr. R. Shepherd</b>	Administering Authority	x	✓	✓	x	✓	\	✓
<b>Cllr. E. Cutkelvin</b>	Leicester City Council	✓	x	✓	x	x	\	x
<b>Mr. M. Singh Saroya</b>	Employee Representative	x	x	x	x	x	✓	✓
<b>Ms. R. Gilbert</b>	Employee Representative	✓	✓	✓	x	x	\	✓
<b>Mr. A. Cross</b>	Employee Representative	✓	✓	✓	✓	✓	\	✓
<b>Mr. A. Stewart (Reserve)</b>	Employee Representative (Reserve)	\	\	\	\	\	\	\

### Hymans Aspire Learning Training

The Fund introduced the Hymans Aspire Learning Academy during November 2021, which was updated in June 2023. This was designed to support the training needs of the Pension Committee and Board members, and Fund Officers, and it supplements the Fund's own training plan. It consists of a series of video presentations with supplemental learning material and quizzes. Completion by Committee and Board Members of these training modules from April 2024 to March 2025 is set out below.

Members also complete current issues modules when published, which are updated regularly, for example, issues around the McCloud remedy implementation.

<b>2024-2025</b>	<b>1 - Committee Role and Pensions Legislation</b>	<b>2 - Pensions Governance</b>	<b>3 - Pensions Administration</b>	<b>4 - Pensions Accounting and Audit Standards</b>	<b>5 - Procurement and Relationship Management</b>	<b>6 - Investment Performance and Risk Management</b>	<b>7 - Financial Markets and Product Knowledge</b>	<b>8 - Actuarial methods, Standards and Practices</b>
<b>Mrs. R. Page</b>	C	E	C	E	E	C	C	C
<b>Mr. R. Shepherd</b>	C	C	C	C	C	C	C	C
<b>Cllr. E. Cutkelvin</b>	C	E	C	E	C	E	E	C
<b>Mr. M. Singh Saroya</b>	C	C	C	C	C	C	C	C
<b>Ms. R. Gilbert</b>	C	C	C	C	C	E	E	C
<b>Mr. A. Cross</b>	C	C	C	C	C	C	E	C
<b>Mr. A. Stewart (Reserve)</b>	C	C	C	C	C	C	C	C

E – Enrolled C – Completed

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**LEICESTERSHIRE COUNTY COUNCIL PENSION FUND**

**ANNUAL GENERAL MEETING – 15 DECEMBER 2025**

**REPORT OF LOCAL PENSION COMMITTEE EMPLOYEE REPRESENTATIVES**

1. The provision of a good defined benefit pension scheme, open to all staff such as the Local Government Pension Scheme, is a very valuable benefit. Thus, the performance of the Leicestershire Fund's investments is important to ensure that the scheme can meet its liabilities to pay pension benefits and grants to pensioners and other beneficiaries and remains open to further accrual for existing and new employees.
  
2. As of December 2025, the fund remains fully funded, with its assets exceeding liabilities. On 31 March 2025 valuation, the fund was 140% funded. As a result, Committee approved a 6% rate reduction for the stabilised employers (City, County, Boroughs, Districts, Police and Fire) from the 1 April 2026 to 31 March 2029. Other employers received their indicative rates in November 2025. Committee considered the funding position, balancing the long-term aim of the pension fund and not overly burdening employers, whilst retaining the 120% funding buffer.
  
3. It should be noted that although the funding position was encouraging, the total funding level is only at a single point in time and the markets continue to fluctuate during a turbulent period for the global economy. Pensions require a very long perspective (a few current scheme members can expect to be still receiving pension benefits in 80 years' time), and the Fund should be careful about relaxing employer contributions too much, based on a single snapshot in time.
  
4. The new pooling arrangements are the area of focus for the time being. Government is keen to consolidate pools so that they become larger, can deliver better for national priorities, and to reduce administration costs. Committee has raised the risks around losing local input, but we are confident as a member of the Local Government Pension Scheme (LGPS) Central Pool that it is more likely other Funds will be joining Central rather than any major disruption to our existing pooling arrangements. There is also some questions still live around the future of transferring assets to management of the pool, but for the time being we have already sufficiently and proactively been pooling proactively.
  
5. Additionally, preparations are ongoing to adapt to the UK Governments Pension Dashboard initiative and align with upcoming regulations on climate related financial disclosures and transition plans.
  
6. As part of their Responsible Investment (RI) obligations, LGPSs have always been required to take account of Environmental, Social & Governance (ESG) factors in their investment decision-making. In common with most LGPSs, the Leicestershire Pension Scheme has recognised climate change as a key ESG risk:

- a) As employee representatives, we have continued to support & influence the Scheme in its efforts to reconcile increasing climate-related risk with its 'fiduciary' duty to achieve the best risk-adjusted returns from investment, through the development of a Net Zero Climate Strategy. We have also raised the fact that climate related risks are likely to impact returns for members paying into the scheme today – and that those risks are not hypothetical but something that needs to be seriously considered in investment decisions.

According to the training that the Scheme provides to new Local Pensions Committee members, the pensions industry in general is rapidly coming to the view that a shift to a more environmentally sustainable form of investing need not come at the expense of returns on investment, or the continued ability to pay out pension benefits.

- b) The Local Pension Committee agreed a revised Responsible Investment Plan in January 2025. Along with all the Leicestershire Pension Fund's key funding and investment strategy documents, this is available to scheme members on the Fund's website here:

<https://leicsmss.pensiondetails.co.uk/home/scheme-member/lgps/fund-admin-and-guidance/pension-fund-and-finance>

As employee representatives, we have sought to keep the Fund to its timetable for developing a Net Zero Climate Strategy and amending its Investment Strategy Statement accordingly.

- 7. The Local Pension Committee and Board continue to monitor governance and investment performance rigorously. Key areas of focus included the adoption of best practices under the Good Governance initiative and regular updates to the Fund's risk register, including emerging cyber risks.
- 8. Current, deferred and retired Scheme Members were represented at all Local Pension Committees and Investment Sub-Committee meetings during the past year. We would like to thank the LCC Pensions Section for their efficient administration of the benefits of the Fund.
- 9. To conclude, the Employee representatives are satisfied that the Fund is currently being managed in a professional manner in the best interests of the Scheme members and beneficiaries.

Nick Booth  
Clive Pitt  
Vipul Bechar

Employee Representatives