



# LOCAL PENSION BOARD ANNUAL REPORT

YEAR ENDED 31 MARCH 2024

## 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 fifth Annual Report of the Local Pension Board of the Leicestershire Pension Fund. This report covers the period from 1 April 2023 to 31 March 2024, to align with the Fund's Annual Report.

As a defined benefit scheme for our 107,000 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 2024, the Fund contained £6.3billion 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 was, and continues to be, the biggest pension administration challenge for 2023-24.

The Board has no concerns about the Leicestershire Pension Fund or its Administration, though it did raise concerns over the welfare of the pension officers in administering the McCloud remedy and supported an increase in resources for the Pension Section.

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.

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

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.



**Mrs. R. Page CC**

Chairman of the Local Pension Board

Approved: 31 July 2024

## What is the Local Pension Board

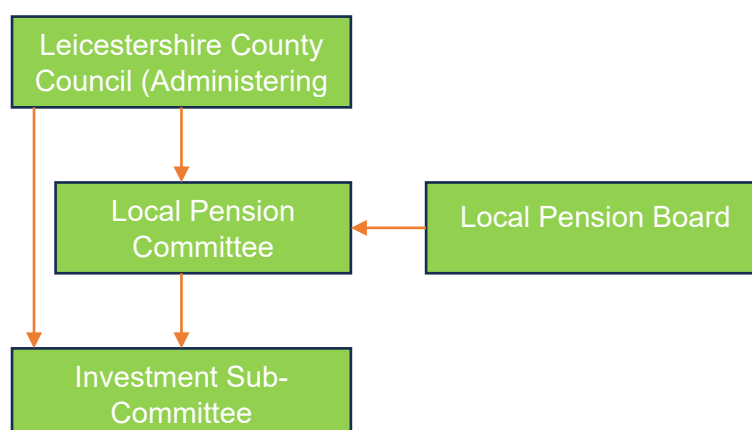
The Local Government Pension Scheme (LGPS) Regulations (“the Regulations”) established Leicestershire County Council as the administering authority for the Leicestershire Pension Fund (the ‘Fund’), with responsibility for managing and maintaining the Fund.

The Regulations further required that Leicestershire County Council, in its capacity as administering authority, established a Local Pension Board. Its purpose is 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

**Mrs. Rosita Page CC - Chairman**  
*Leicestershire County Councillor*

**Mr. Richard Shepherd CC**  
*Leicestershire County Councillor*

**Cllr. Elly Cutkelvin**  
*Leicester City Councillor*

Employee Representatives

**Mr. Manjit Saroya – Vice Chairman**

**Mr. Anthony Cross**

**Ms. 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 | AUGUST | OCTOBER | FEBRUARY | %    |
|--|-------------------------|-------|--------|---------|----------|------|
|  |                         |       |        |         |          |      |
| <b>Mrs. R. Page</b>                            | Administering Authority | ✓     | ✓      | ✓       | ✓        | 100% |
| <b>MR. R. Shepherd</b>                         | Administering Authority | X     | ✓      | ✓       | ✓        | 75%  |
| <b>Cllr. V. Riyait (to May 2023)</b>           | Leicester City Council  | X     | \      | \       | \        | 100% |
| <b>Cllr. E. Cutkelvin (from November 2023)</b> | Leicester City Council  | \     | \      | \       | ✓        | 100% |

|   |                         |   |   |   |   |      |
|---|-------------------------|---|---|---|---|------|
| <b>Mr. M. Saroya</b>  | Employee Representative | ✓ | X | ✓ | ✓ | 75%  |
| <b>Mrs C. Fairchild (to December 2023)</b>  | Employee Representative | ✓ | ✓ | ✓ | \ | 100% |
| <b>Mrs. R. Gilbert</b>  | Employee Representative | X | ✓ | ✓ | ✓ | 75%  |
| <b>Mr. A. Cross (Reserve Member from December 2022 / Member from December 2023)</b> | Employee Representative | ✓ | \ | \ | ✓ | 100% |
| <b>Mr. A. Stewart (Reserve) (from December 2023)</b>                                | Employee Representative | \ | \ | \ | ✓ | 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.

### Risk Management and Internal Controls

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

We continued to monitor employer risks, including outstanding admission agreements and bonds. The highest risk cases tended to be the longest unsigned admission agreements, which mean the staff that have transferred to the new employer are currently not active LGPS members. We noted that once the admission agreement is legally signed, the pension start date for the staff will be backdated to the date of transfer, so the staff do not lose any scheme membership.

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

### Business Plan and Budget

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 upcoming pieces of work over and above business as usual, the most significant including implementing a solution for the national Pensions Dashboards, ongoing implementation of McCloud, implementing the Pensions Regulator's new Code of Practice, and reviewing the Fund's Additional Voluntary Contribution (AVC) provider. The Pension Manager advised that the McCloud Remedy was the biggest cause for concern, resulting in more manual work to resolve cases, and that the management team would continue to monitor the situation.

### **Pension Fund Annual Report and Accounts 2022/23**

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.

### **Net Zero Climate Strategy**

The Board commented on progress against the Fund's Net Zero Climate Strategy targets, with the Fund's high-level primary target of net zero by 2050.

### **Consultation: Next Steps on Investment**

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 2024/25**

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 involve the Government's Pension Dashboard scheme, the 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

The Fund adopted a [Training Policy](#) in November 2019, and this was subsequently updated and approved in March 2022 by the Committee, 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 Training 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 attendance log for training undertaken following Board Meetings is as follows:

| 2023 – 2024                                   |  | INTRODUCTION TO LGPS CENTRAL AUDIT AND RISK – APRIL 2023 | JOINT TRAINING LPC/LPB – JUNE 2023 | McCLOUD – AUGUST 2023 | GMIPS, GUARANTEE EQUALISATION, EMPLOYER DISCRETION – OCTOBER 2023 |
|---|--|--|------------------------------------|-----------------------|---|
| Mrs. R. Page                                  | Administering Authority                            | ✓  | ✓                                  | ✓                     | ✓   |
| Mr. R. Shepherd                               | Administering Authority                            | X  | ✓                                  | ✓                     | ✓   |
| Cllr. V. Riyait (to May 2023)                 | Leicester City Council                             | X  | \                                  | \                     | \   |
| Cllr. E. Cutkelvin (from November 2023)       | Leicester City Council                             | \  | \                                  | \                     | \   |
| Mr. M. Saroya                                 | Employee Representative                            | ✓  | ✓                                  | X                     | ✓   |
| Ms. C. Fairchild                              | Employee Representative                            | ✓  | ✓                                  | ✓                     | ✓   |
| Ms. R. Gilbert                                | Employee Representative                            | X  | ✓                                  | ✓                     | ✓   |
| Mr. A. Cross (from December 2023)             | Employee Representative Elected 2023 AGM           | ✓  | X                                  | X                     | X   |
| Mr. A. Stewart (from December 2023 - reserve) | Employee Representative (Reserve) elected 2023 AGM | \  | \                                  | \                     | \   |

### 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 March 2022 to June 2023, and June 2023 to March 2024 is set out below. Previously completed module information was not carried





|  |   |   |   |   |   |   |   |   |   |
|--|---|---|---|---|---|---|---|---|---|
| <b>Mr. A. Cross (from December 2023)</b>             | S | S | S | S | S | S | S | S | S |
| <b>Mr. A. Stewart (from December 2023 - reserve)</b> | C | C | P | S | S | S | S | S | C |

S – Subscribed P – In progress C – Completed

\ = Not a member at the time or not required to undertake the training.