



LOCAL GOVERNMENT PENSION SCHEME
LEICESTERSHIRE ANNUAL REPORT
Year ended 31st March 2024

Administered by
LEICESTERSHIRE COUNTY COUNCIL

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Foreword

We are pleased to introduce the annual report of the Leicestershire Pension Fund (the Fund). The aim of this report is to set out the Fund's financial position as at 31 March 2024 and to provide a summary of the Fund's key activities over the past financial year. It also sets out the way in which the Fund is managed both in relation to the administration of benefits and the investment of the Fund's assets.

It is vital we continue to manage the Fund to ensure it continues to have sufficient assets in the long term on behalf of over 100,000 scheme members and over 200 employers. This is in order to support the payment of members' pension benefits while keeping employers' contributions stable, understanding the vital roles they play within our communities. 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 £6.3billion. This year we achieved a 9.1% return on investments, and over the longer five-year time period it continues to outperform its benchmark.
- Over the year we have continued to support pooling, with over half of our assets invested with LGPS Central and a low-cost passive equity investment manager.
- We continue to progress net zero by 2050, with an ambition for sooner and have already reduced our equity carbon intensity by 36%. This is alongside over £1billion invested in investments supportive of the climate transition.
- We've continued to work with our partners LGPS Central and the Local Authority Pension Fund Forum to engage with companies in our role as responsible investors.
- In October 2023 the new McCloud remedy regulations, to remove the scheme discrimination came into force. McCloud continues to represent the greatest risk and challenge to pension administration due to complexity and additional resource required. The team is actively working on its implementation to factor it into benefit calculations for members.
- The Team also continues to work on the national Dashboards project which looks to allow individuals to view their consolidated pension benefits in a single online account. I know the Local Pension Board are paying keen attention to this.

Thank you for taking the time to read this report.



Mr Tom Barkley CC
Chairman of the Local Pension Committee

A handwritten signature in black ink that reads "T. Barkley".



Declan Keegan
Director of Corporate Resources

A handwritten signature in black ink that reads "Declan Keegan".

Introduction

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 [below](#).

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

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

Emerging market equities multi-managers fund (*BMO, UBS, Vontobel*),

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*)

LGPS Credit Partnership I, II & IV (2021)

Others:

[Adams Street Partners](#)

[Aspect Capital](#) (divested by 31 March 2024)

[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)

[Kravis Kohlberg Roberts \(KKR\)](#)

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

[Pictet Asset Management](#) (divested by 31 March 2024)

[M&G Investments](#)

[Ruffer LLP](#)

[Quinbrook Infrastructure Partners](#)

[Stafford Capital Partners](#)

[Fulcrum Asset Management](#)

Fund Custodian

[JPMorgan, Bournemouth](#)

Legal Advisor

County Solicitor, [Leicestershire County Council](#)

[Freeths Solicitors](#)

Actuary and Investment Consultant

[Hymans Robertson LLP, Glasgow](#)

AVC Provider

[Prudential, London](#)

Auditor

[Grant Thornton LLP](#)

Banker

[National Westminster Bank, Leicester](#)

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 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 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 2023/24 Risk Register currently includes 18 risks, none of which currently score 15 or above. These are split between 6 risk categories as follows:

- 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 31 March 2022 triennial valuation detailed an improved funding position, with the Fund 105% funded.

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 2024.

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 December 2023 that was approved by Pensions Committee in March 2024.

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.

Governance and Training

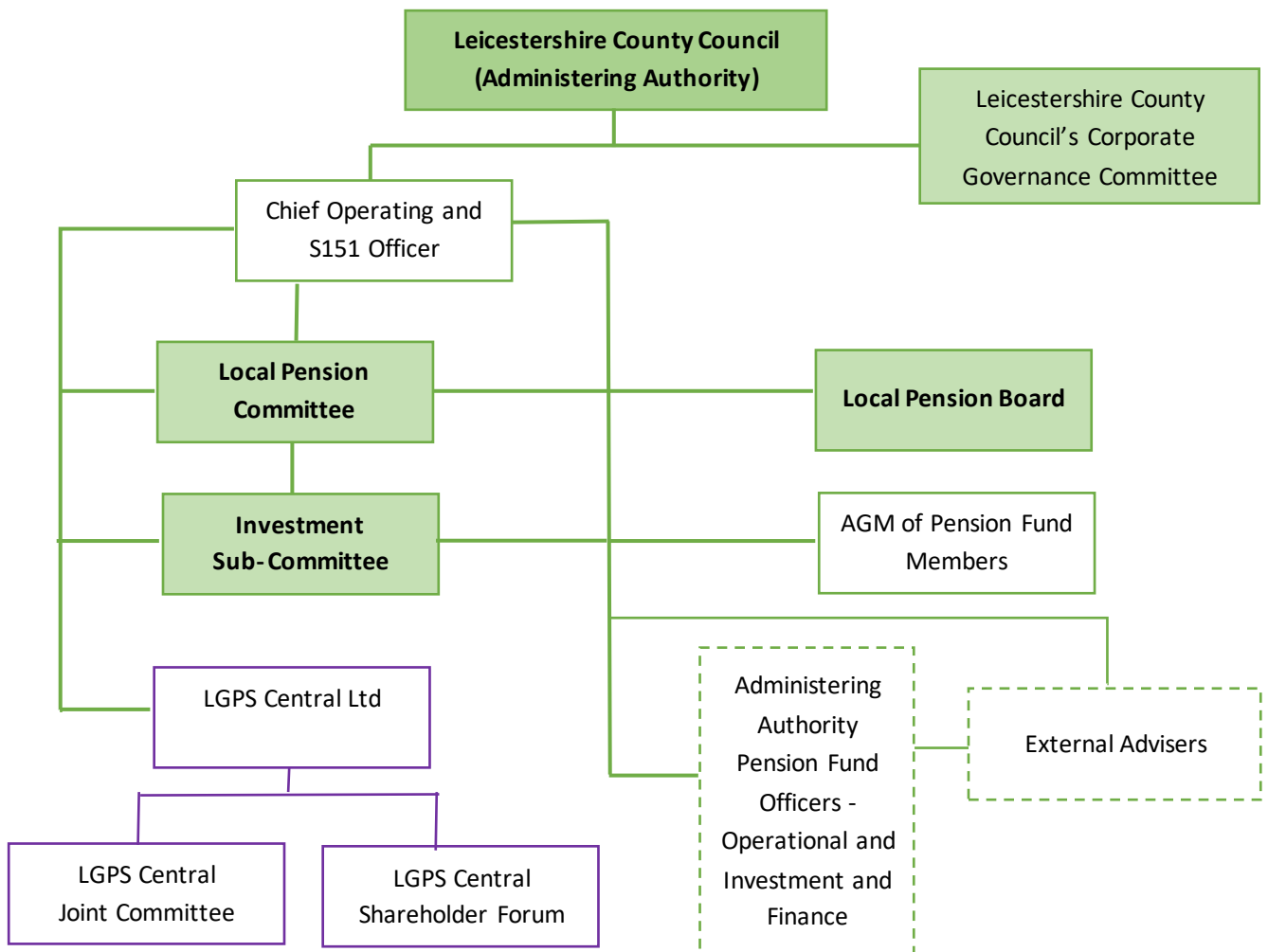
The Local Government Pension Scheme Regulations 1997 requires the Fund to publish a compliance statement and to review this on an ongoing basis the Regulations also require the Fund's governance arrangements to be measured against a number of standards set out within guidance issued by Department for Levelling Up Housing and Communities. 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.



Chief Operating and S151 Officer

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 2023-2024 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 2023/24 can be found on the Council's [website](#). A summary is provided below:

- Alongside regular portfolio monitoring each quarter Committee met with a different investment manager within the portfolio to discuss market conditions, performance, and responsible investment considerations over 2023/24 this covered Stafford Capital, DTZ, LGIM and Adams Street Partners.
- 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.

- A notice of motion in relation to request for a development of a fossil free fund was put to the Committee. This was subsequently considered by the Fund's Investment Advisor in advance of the Strategic Asset Allocation review and Committee agreed to implement a number of actions to support strengthening of engagement with underlying managers and improvement of reporting against stewardship.
- Continued to receive updates on the progress of pooling from LGPS Central, progress of investment Fund's and a presentation on their revised Stewardship Strategy. 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, Terms of Reference, and Cyber Policy alongside other pension Fund policies.
- Discussion of a proposed response to a consultation issued by the Department for Levelling Up, Housing and Communities (DLUHC) in relation to pooling, levelling up, private markets and training that was delegated to the Director of Corporate Resources following consultation with the Chairman to submit.
- Noted the scale of work to be undertaken with the implementation of the McCloud Remedy, and the introduction of Government Dashboards, which were proving to be resource heavy in the Pensions Section. Members congratulated Pensions Section officers on the speed of the action taken in response to the McCloud Remedy which was considered exemplary.

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 2023/24 can be found on the Council's website.](#)

A summary is provided below:

- Investments were made in the following funds to support achievement of the Strategic Asset Allocation infrastructure target. This covered LGPS Central's Core / Core plus fund, JP Morgan IIF fund, Quinbrook Net Zero Power Fund.
- A review was undertaken of the Fund's targeted return portfolio which led to further investment in Ruffer, a new investment in Fulcrum and a divestment from an existing manager.
- Changes were agreed to the listed equity portfolio following a review by the Fund's Investment Advisor, including investment in a Low Carbon Transition Fund and a

restructure of the Fund's holdings to provide a better balance of risk and return and support the Fund's Net Zero Climate strategy targets.

- LGPS Central attended and updated Sub-Committee on their Multi Asset Credit and Investment Grade Fund, discussing performance, the market environment and interest rate expectations and responsible investment considerations.
- Consideration of a report on investment management fee savings. The Sub-Committee congratulated officers on the discussions that had resulted in the savings.
- Noted the cash holding of the Fund recognising the positive cash flow nature and approved the Cash Management Strategy for the Fund.

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 2023-2024 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.
- Engagement on relevant strategies and documents such as the Net Zero Climate Strategy.
- Other communications to members.

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.

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.

The Fund adopted a Training Policy in 2019 and this was subsequently updated in March 2022 and will next be reviewed in 2024. The Policy is 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 regulator and the overarching governance requirements of the scheme.

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. 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 encouraged to complete training modules on Hymans Robertson Aspire Website, the Pension Regulator's online training, and other external training as held by the Scheme Advisory Board, Local Government Association, Hymans Robertson as well as LGPS Central at its Annual Stakeholder Day and 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 2023/24 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. The records of training for the Committee for the previous training and new modules from April 2023 to March 2024 is also attached to this report also at [Appendix D](#). Records for Board Members are contained in its [Annual Report](#).

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 approved June 2021. 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. 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 provide 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 36.6% with the average employer rate being 26.8%.

Expenditure

Administrative costs (includes investment management costs and transaction fees) were £54.4m for the year compared to £54.5m in the previous year (2022/23). 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 £73.4m in 2023/24, compared to £72.6m in 2022/23. In addition, the Fund received investment income of £75.5m. In the context of the Funds £6billion 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:

| 2022/23 | 2023/24 |
|--|----------------|
| £m | £m |
| Payments in: | |
| (212.0) Employer Contributions | (233.9) |
| (50.2) Member Contributions | (54.3) |
| (12.4) Transfers in from other pension funds | (8.1) |
| (274.6) Total Inflows | (296.3) |
| Payments out: | |
| 146.5 Pensions | 163.3 |
| 37.8 Lump Sum Retirement Benefits | 39.2 |
| 4.1 Lump Sum Death Benefits | 4.3 |
| 13.6 Payments to and on Account of Leavers | 16.1 |
| 202.0 Total Outflows | 222.9 |
| (72.6) Net Cash (inflows) | (73.4) |

2023/24 Performance Vs Budget

The outturn for 2023/24 was:

| Heading | Budget £000s | Actual £000s | Variance £000s |
|---------------------------------------|-----------------|-----------------|-------------------|
| Investment Management Expense: | | | |
| o Management | 25,792 | 27,968 | 2,176 |
| o Transaction | 6,642 | 13,251 | 6,609 |
| o Performance | 10,500 | 9,268 | (1,232) |
| Sub Total | 42,934 | 50,487 | 7,553 |
| LGPS Central costs | 1,216 | 898 | (318) |
| Staffing | 1,551 | 1,776 | 225 |
| IT costs | 520 | 476 | (44) |
| Actuarial costs | 150 | 97 | (53) |
| Support Services/Other | 630 | 690 | 60 |
| Total | 47,001 | 54,424 | 7,423 |

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 2023 | 129 | |
| Net investment activity | 215.3 | Significant underlying activity, purchases of 1,859m and sales of 2,074m. Large net divestment reflects the fact the Fund was overweight in growth assets at the start of the reporting period. These funds are now awaiting reinvestment into income generating asset class. |
| Currency hedge profit or loss | 16 | Dependent upon relative currency performance and Aegon's decisions. Very hard to forecast and necessitates the holding of a cash buffer. |
| Investment, management, and administration expenses | (4) | This is the element of fund management and administration fees which result in a cash flow out. Most investment fees paid are embedded in the underlying fund so do not generate a cash flow. Able to make good level of prediction, although elements are performance dependant. |
| Investment income | 76 | Primarily from infrastructure, timberland, private debt, and property assets, usually predictable. |
| Non-investment income | 73 | Employer and employee contributions exceed the benefit payments made. This net inflow is predictable year-on-year. There is also an impact from transfers in/out of the scheme, which are difficult to predict reliably. |
| Change in working capital | 7 | 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. |
| Total increase/(decrease) in cash balance | 383 | Aim to keep cash level minimal as per strategic allocation. Cash balances were lower at the start of the reporting period due to efforts in 2022/23 to invest in illiquid markets and the availability of new products from LGPS Central. Over the period, cash balances have risen due to divestment from overweight asset classes. |
| Closing Cash Balance 31 March 2024 | 512 | |

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

Work was undertaken on the biennial National Fraud Initiative (NFI) counter fraud data matching exercise.

This exercise identified four cases where pensions were continuing to be paid to deceased pensioners. For one case, the overpayment was recovered from the spouse's pension. The remaining three cases, totalling around £4,000 continue to be pursued by the Pension Service.

The next biennial exercise is due to be undertaken during 2024/25 with reports available in January 2025.

In addition to the biennial NFI exercise, the Pension Section has subscribed to the six monthly NFI mortality screening service. This acts as a more regular check.

The June 2023 exercise identified three cases where pensions were continuing to be paid to deceased pensioners. One case amounting to over £10,000 was recovered. The remaining two cases totalling around £2,600 continue to be pursued by the Pension Section.

The November 2023 exercise identified three cases totalling £15,000. One case represents £12,600 and the Pension Section is offsetting this from the widow's entitlement. The remaining two cases totally £2,400 continue to be pursued by the Pension Section.

There is no suggestion of any fraudulent activity relating to these cases. No overpayments were identified outside of the NFI exercises.

Fund Account, Net Assets Statement and Notes

Leicestershire County Council Pension Fund Accounts 2023/24

(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.

Membership

Membership of the LGPS is voluntary and 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.

Membership details are set out below:

| | 31-Mar-23 | 31-Mar-24 |
|--|----------------|----------------|
| | 189 | 189 |
| Number of employees in the scheme (Actives) | | |
| County Council | 8,596 | 8,886 |
| Other employers | 30,227 | 31,962 |
| Total | 38,823 | 40,848 |
| Number of pensioners | | |
| County Council | 12,126 | 12,324 |
| Other employers | 20,434 | 21,578 |
| Total | 32,560 | 33,902 |
| Deferred pensioners | | |
| County Council | 9,853 | 9,794 |
| Other employers | 21,958 | 22,456 |
| Total | 31,811 | 32,250 |
| Total number of members in the pension scheme | 103,194 | 107,000 |

*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 ending 31 March 2024. Employers' contributions are set based on triennial actuarial funding valuations. In 2023/24 the average employer rate was 26.8% of pay (26.3% 2022/23).

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 1/49th. 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 2024

| 2022/23 £m | | Notes | 2023/24 £m |
|------------------|--|-------|------------------|
| | Contributions | | |
| (212.0) | Employer Contributions | 6 | (233.9) |
| (50.2) | Member Contributions | 6 | (54.3) |
| (12.4) | Transfers in from Other Pension Funds | 7 | (8.1) |
| (274.6) | Total Contributions | | (296.3) |
| | Benefits | | |
| 146.5 | Pensions | 8 | 163.3 |
| 37.8 | Commutation of Pensions and Lump Sum Retirement Benefits | 8 | 39.2 |
| 4.1 | Lump Sum Death Benefits | | 4.3 |
| 13.6 | Payments to and on Account of Leavers | 9 | 16.1 |
| 202.0 | Total Benefits | | 222.9 |
| (72.6) | Net (Additions)/Withdrawals from Dealings with Members | | (73.4) |
| 54.5 | Management Expenses | 10 | 54.4 |
| (18.1) | Net (Additions)/Withdrawals Including Fund Management Expenses | | (19.0) |
| | Returns on investments | | |
| (43.8) | Investment income | 11 | (75.5) |
| 77.6 | (Profit) and Losses on Disposal of Investments and Changes in Value of Investments | 12 | (522.7) |
| 33.8 | Net Returns on Investments (Sub Total) | | (598.2) |
| 15.7 | Net (Increase) / Decrease in the Net Assets Available for Benefits fund During the Year | | (617.2) |
| (5,790.0) | Net assets of the scheme Opening | | (5,774.3) |
| (5,774.3) | Net assets of the scheme Closing | | (6,391.5) |

Net Assets Statement as at 31 March 2024

| 2022/23 £m | | Notes | 2023/24 £m |
|----------------|---|-------|----------------|
| 5,751.4 | Investment assets | 12 | 6,377.0 |
| (0.1) | Investment liabilities | 12 | (2.1) |
| 5,751.3 | | | 6,374.9 |
| 26.7 | Current Assets | 15 | 24.8 |
| (3.8) | Current Liabilities | 15 | (8.2) |
| 5,774.2 | Net Assets of the Fund at 31 March | | 6,391.5 |

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.

The notes on pages 24 to 56 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 2023/24 financial year and its position as at 31 March 2024. The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (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 2023/24.

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 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).

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 IAS19 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 it 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 £411.0m in the financial statements. There is a risk that this investment may be under or overstated in the accounts. If this was under or overstated by 5% the value of the investment would increase or decrease by £20.5m |
| 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 £411.1m. 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 £20.6m. |
| 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 £545.2m in the financial statements. There is a risk that this investment may be under or overstated in the accounts. If this was under or overstated by 5% the value of the investment would increase or decrease by £27.3m. |

| Item | Uncertainties | Effect if Actual Results Differ from Assumptions |
|----------------------------|---|---|
| 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 £544.3m in the financial statements. There is a risk that this investment may be under or overstated in the accounts. If this was under or overstated by 5% the value of the investment would increase or decrease by £27.2m |
| 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 £124.8m in the financial statements. There is a risk that this investment may be under or overstated in the accounts. If this was under or overstated by 5% the value of the investment would increase or decrease by £6.2m |
| 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 £21.9m in the financial statements. There is a risk that this investment may be under or overstated in the accounts. If this was under or overstated by 5% the value of the investment would increase or decrease by £1.1m |

5. Events after the Reporting Date

The Statement of Accounts was authorised for issue by the Director of Corporate Resources on 28 June 2024. 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 2024, 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

| 2022/23 £m | | 2023/24 £m |
|---------------|--|---------------|
| | Employers | |
| 197.7 | Normal | 222.8 |
| 11.3 | Deficit Repair | 6.9 |
| 1.5 | Advanced payments for early retirements | 1.5 |
| 1.5 | Additional payments for ill-health retirements | 2.7 |
| | Members | |
| 49.9 | Normal | 53.9 |
| 0.3 | Purchase of additional benefits | 0.4 |
| 262.2 | Total | 288.2 |

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:

| 2022/23 £m | | 2023/24 £m |
|---------------|-------------------------------|---------------|
| 64.6 | Leicestershire County Council | 71.8 |
| 186.6 | Scheduled bodies | 204.4 |
| 11.0 | Admitted bodies | 12.0 |
| 262.2 | Total | 288.2 |

7. Transfers In

| 2022/23 £m | | 2023/24 £m |
|---------------|--|---------------|
| 12.4 | Individual transfers in from other schemes | 8.1 |
| 0.0 | Bulk transfers in from other schemes | 0.0 |
| 12.4 | Total | 8.1 |

8. Benefits

The benefits paid can be analysed by type of Member Body as follows:-

| 2022/23 £m | | 2023/24 £m |
|---------------|-------------------------------|---------------|
| 62.4 | Leicestershire County Council | 68.2 |
| 118.6 | Scheduled bodies | 130.5 |
| 7.4 | Admitted bodies | 8.1 |
| 188.4 | Total | 206.8 |

9. Payments to and on Account of Leavers

| 2022/23 £m | | 2023/24 £m |
|---------------|---------------------------------------|---------------|
| 0.9 | Refunds to members leaving the scheme | 1.0 |
| 12.7 | Individual transfers to other schemes | 15.0 |
| 0.0 | Bulk transfers to other schemes | 0.0 |
| 13.6 | Total | 16.1 |

10. Management Expenses

| 2022/23 £m | | 2023/24 £m |
|---------------|---|---------------|
| 51.3 | Investment Management Expenses (Note 10A) | 50.8 |
| 2.1 | Pension Scheme Administration Costs | 2.4 |
| 1.1 | Oversight and Governance Expenses | 1.2 |
| 54.5 | Total | 54.4 |

10a. Investment Management Expenses

| 2022/23 £m | | 2023/24 £m |
|---------------|--------------------------|---------------|
| 24.5 | Management Expenses | 28.3 |
| 8.0 | Transaction Costs | 13.3 |
| 18.8 | Performance Related Fees | 9.3 |
| 51.3 | Total | 50.9 |

11. Investment Income

| 2022/23 £m | | 2023/24 £m |
|---------------|--|---------------|
| 1.8 | Dividends from equities | 0.5 |
| 0.7 | Income from Government Bonds | 0.9 |
| 1.3 | Income from index-linked securities | 1.5 |
| 29.7 | Income from pooled investment vehicles | 50.3 |
| 5.9 | Net rents from properties | 3.6 |
| 2.3 | Interest on cash or cash equivalents | 19.2 |
| 2.1 | Net Currency Profit / (Loss) | (0.6) |
| 43.8 | Total | 75.5 |

11a. Property Income

| 2022/23 £m | | 2023/24 £m |
|---------------|---------------------------|---------------|
| 6.7 | Rental income | 6.9 |
| (0.8) | Direct operating expenses | (3.4) |
| 5.9 | Total | 3.6 |

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

12. Investments

| | Value at 1 April 2023 | Purchases 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 | 0.0 | (6.2) | 96.0 |
| Derivatives contracts | 2.7 | 0.0 | 18.7 | 16.5 | 0.4 |
| Cash and currency & other investment balances | 130.4 | 384.7 | 0.0 | (1.8) | 513.2 |
| Total | 5,751.3 | 2,241.9 | 2,141.0 | 522.7 | 6,374.9 |

| | Value at 1 April 2022 | Purchases at Cost and Derivative Payments | Sales Proceeds and Derivative Receipts | Change In Market Value | Value at 31 March 2023 |
|---|-----------------------------|--|--|---------------------------|------------------------------|
| | £m | £m | £m | £m | £m |
| Equities | 46.0 | 23.8 | (47.3) | (1.6) | 20.9 |
| Government Bonds | 8.5 | 90.3 | (73.2) | (2.0) | 23.5 |
| Index-linked securities | 280.8 | 220.1 | (163.7) | (72.2) | 265.1 |
| Pooled investment vehicles | 5,121.8 | 435.6 | (406.1) | 55.6 | 5,206.9 |
| Properties | 120.3 | (0.2) | 0.0 | (18.3) | 101.8 |
| Derivatives contracts | 4.6 | 37.2 | 0.0 | (39.1) | 2.7 |
| Cash and currency and other investment balances | 188.5 | 0.0 | (58.1) | 0.0 | 130.4 |
| Total | 5,770.5 | 806.8 | (748.4) | (77.6) | 5,751.3 |

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.

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

| 2022/23 £m | | 2023/24 £m |
|----------------|---|----------------|
| 895.6 | LGPS Central – All World Equity Climate Multi Factor Fund | 811.6 |
| 520.6 | LGPS Central - Global Equity Active Multi Manager Fund | 636.3 |
| 213.3 | LGPS Central – Multi Asset Credit Multi Manager Fund | 349.5 |
| 0.0 | Legal and General All World Equity Index | 701.4 |
| 68.7 | Internally Managed Cash Balances | 391.1 |
| 330.8 | Legal and General North America Index Fund | 0.0 |
| 2,029.0 | Total | 2,889.9 |

| 2022/23 | | 2023/24 |
|----------------|--|----------------|
| £m | | £m |
| | Equities | |
| 7.0 | UK quoted | 8.4 |
| 1.3 | UK unquoted | 1.3 |
| 12.6 | Overseas quoted | 14.4 |
| 20.9 | | 24.1 |
| | Government Bonds | |
| 0.7 | UK Government Unquoted | 0.7 |
| 3.9 | UK Government Quoted | 0.0 |
| 18.9 | Overseas Quoted | 53.0 |
| 23.5 | | 53.7 |
| | Index Linked Securities | |
| 259.9 | UK quoted | 250.9 |
| 5.2 | Overseas quoted | 0.0 |
| 265.1 | | 250.9 |
| | Pooled investment vehicles (unquoted) | |
| 305.7 | Property funds | 315.1 |
| 423.2 | Private equity | 411.0 |
| 1,037.2 | Bond and debt funds | 1,177.2 |
| 2,516.7 | Equity-based funds | 2,705.1 |
| 21.3 | Commodity-based funds | 21.9 |
| 126.3 | Timberland fund | 124.8 |
| 151.8 | Managed futures fund | 0.0 |
| 9.8 | Protection fund | 11.1 |
| 144.4 | Targeted return fund | 126.2 |
| 470.5 | Infrastructure fund | 544.3 |
| 5,206.9 | | 5,436.7 |
| | Properties | |
| 101.8 | UK (Note 14) | 96.0 |
| 128.7 | Cash and currency | 511.7 |
| | Derivatives contracts | |
| 2.8 | Forward foreign exchange assets | 2.4 |
| (0.1) | Forward foreign exchange liabilities | (2.1) |
| 2.7 | Sterling Denominated | 0.4 |
| 1.7 | Other Investment Balances | 1.5 |
| 5,751.3 | Total Investments | 6,374.9 |

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 | 0.3 | JPY | 55.9 | 0.0 | 0.0 |
| | GBP | 8.3 | USD | 10.6 | 0.0 | (0.1) |
| | GBP | 1.1 | AUD | 2.2 | 0.0 | 0.0 |
| | GBP | 11.4 | EUR | 13.3 | 0.0 | 0.0 |
| 1 - 3 Months | CNY | 8.3 | GBP | 0.9 | 0.0 | (0.0) |
| | GBP | 11.9 | CHF | 13.0 | 0.5 | 0.0 |
| | GBP | 2.7 | HKD | 26.3 | 0.0 | (0.0) |
| | GBP | 22.7 | TWD | 888.0 | 0.7 | 0.0 |
| | GBP | 233.6 | USD | 296.5 | 0.0 | (1.1) |
| | GBP | 28.0 | CNY | 253.3 | 0.3 | 0.0 |
| | GBP | 3.9 | SEK | 51.8 | 0.1 | 0.0 |
| | GBP | 31.0 | JPY | 5,750.0 | 0.9 | 0.0 |
| | GBP | 7.4 | CAD | 12.6 | 0.0 | (0.0) |
| | JPY | (1,277.6) | GBP | 53.8 | 0.0 | (0.0) |
| | USD | (69.0) | GBP | 6.7 | 0.0 | (0.8) |
| Open forward currency contracts at 31 March 2024 | | | | | 2.4 | (2.1) |
| Net forward currency contracts at 31 March 2024 | | | | | 0.4 | |

Prior Period Comparison:

| | | |
|---|------------|--------------|
| Open forward currency contracts at 31 March 2023 | 2.7 | (0.1) |
| Net forward currency contracts at 31 March 2023 | 2.6 | |

14. Property Investments

| 31 March 2023 £m | | 31 March 2024 £m | |
|---------------------|---|---------------------|--|
| 82.2 | Freehold | 80.5 | |
| 14.0 | Long Leasehold (over 50 years unexpired) | 10.8 | |
| 5.6 | Medium/Short Leasehold (under 50 years unexpired) | 4.6 | |
| 101.8 | Total | 96.0 | |

All properties, with the exception of the Fund's farm investment, were valued on an open market basis by Nigel Holroyd and Adrian Payne of Colliers Capital UK Limited at 31st March 2024. 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 2023 £m | | 31 March 2024 £m | |
|---------------------|---|---------------------|--|
| 120.3 | Opening Balance | 101.8 | |
| 0.0 | Additions: | 0.0 | |
| 0.0 | Purchases | 0.0 | |
| (0.2) | Subsequent Expenditure | 0.4 | |
| 0.0 | Disposals | 0.0 | |
| (18.3) | Net increase/(decrease) in Market Value | (6.2) | |
| 101.8 | Total | 96.0 | |

15. Current Assets and Liabilities

| 2022/23 £m | | 2023/24 £m | |
|---------------|---|---------------|--|
| 20.8 | Contributions due from employers | 20.3 | |
| 5.9 | Other Debtors | 4.5 | |
| 26.7 | Current assets | 24.8 | |
| (0.0) | Due to Leicestershire County Council | (2.6) | |
| (1.4) | Fund Management Fees Outstanding | (0.9) | |
| (2.4) | Other Creditors | (4.7) | |
| (3.8) | Current liabilities | (8.2) | |
| 22.9 | Net current assets and liabilities | 16.6 | |

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 2023 | | | 31 March 2024 | |
|---|-------------|---|----------------|-------------|
| £m | % | | £m | % |
| Investments Managed by LGPS Central Pool | | | | |
| 895.2 | 15.6 | All World Equity Climate Multi Factor Fund | 811.6 | 12.7 |
| Global equities multi-manager fund: | | | | |
| 145.2 | 2.5 | <i>Harris</i> | 171.7 | 2.7 |
| 199.4 | 3.5 | <i>Schroders</i> | 245.6 | 3.9 |
| 176.0 | 3.1 | <i>Union</i> | 219.0 | 3.4 |
| Global Active MAC Multi Manager Fund | | | | |
| 105.1 | 1.8 | <i>Western Asset Management</i> | 172.3 | 2.7 |
| 108.3 | 1.9 | <i>CTI</i> | 177.2 | 2.8 |
| Global Active Investment Grade Corporate Bond MMF | | | | |
| 73.7 | 1.3 | <i>Neuberger Berman</i> | 79.7 | 1.3 |
| 73.0 | 1.3 | <i>Fidelity</i> | 79.5 | 1.2 |
| Emerging market equities multi-manager fund: | | | | |
| 62.0 | 1.1 | <i>CTI</i> | 60.6 | 1.0 |
| 59.4 | 1.0 | <i>UBS</i> | 60.6 | 1.0 |
| 60.7 | 1.1 | <i>Vontobel</i> | 63.4 | 1.0 |
| Global Active Emerging Market Bond MMF | | | | |
| 54.6 | 0.9 | <i>Amundi</i> | 30.7 | 0.5 |
| 56.1 | 1.0 | <i>M&G</i> | 32.5 | 0.5 |
| 72.2 | 1.3 | LGPS Credit Partnership I LP | 134.8 | 2.1 |
| 58.4 | 1.0 | LGPS Central Core/Core Plus Infrastructure Partnership LP | 81.5 | 1.3 |
| 30.5 | 0.5 | LGPS Credit Partnership IV LP | 53.3 | 0.8 |
| 26.4 | 0.5 | LGPS Credit Partnership II LP | 33.3 | 0.5 |
| 8.2 | 0.1 | LGPS Central PE Primary Partnership 2018 LP | 9.0 | 0.1 |
| 0.6 | 0.0 | LGPS Central PE Primary Partnership 2021 LP | 4.8 | 0.1 |
| 0.0 | 0.0 | LGPS Central UK Direct Property Fund | 49.1 | 0.8 |
| 2,265.0 | 39.5 | Sub Total | 2,570.3 | 40.4 |
| Investments Managed outside of Pool | | | | |
| 907.5 | 15.8 | Legal & General Investment Management Limited | 1,063.4 | 16.9 |
| 75.2 | 1.2 | Internally Managed | 397.4 | 6.1 |
| 382.7 | 6.7 | Adams Street Partners L.P. | 371.5 | 5.8 |
| 338.7 | 5.8 | Aegon Asset Management Limited | 346.6 | 5.4 |
| 244.0 | 4.3 | LaSalle Limited | 242.5 | 3.9 |

| | | | | |
|----------------|--------------|---|----------------|--------------|
| 242.8 | 4.2 | Partners Group Limited | 200.1 | 3.1 |
| 132.2 | 2.3 | Ruffer LLP | 172.9 | 2.7 |
| 147.4 | 2.6 | JP Morgan Asset Management (UK) Limited | 168.8 | 2.6 |
| 153.2 | 2.7 | IFM Investors (UK) Ltd | 161.2 | 2.5 |
| 0.0 | 0.0 | Fulcrum Asset Management | 126.2 | 2.0 |
| 126.3 | 2.2 | Stafford Capital Partners Limited | 124.8 | 2.0 |
| 115.5 | 2.0 | Colliers Capital UK Limited | 108.2 | 1.6 |
| 69.1 | 1.2 | Cristofferson, Robb & Company Ltd | 65.6 | 1.1 |
| 30.0 | 0.5 | Quinbrook | 52.1 | 0.8 |
| 54.8 | 1.0 | DTZ Investment Management | 50.1 | 0.8 |
| 47.9 | 0.8 | Kravis Kohlberg Roberts & Co. Ltd | 49.2 | 0.7 |
| 57.5 | 1.0 | M&G | 47.1 | 0.7 |
| 33.6 | 0.6 | Infracapital | 31.5 | 0.5 |
| 30.8 | 0.5 | Aberdeen Standard Life Limited | 24.4 | 0.4 |
| 0.9 | 0.0 | Catapult Venture Managers Limited | 1.2 | 0.0 |
| 151.8 | 2.6 | Aspect Capital Limited | 0.0 | 0.0 |
| 144.4 | 2.5 | Pictet Asset Management Limited | 0.0 | 0.0 |
| 3,486.3 | 60.5 | Sub Total | 3,804.8 | 59.6 |
| 5,751.3 | 100.0 | Grand Total | 6,375.0 | 100.0 |

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.

| Description of Asset | Valuation Hierarchy | Basis of valuation | Observable and unobservable inputs | Key sensitivities affecting valuations provided |
|---|----------------------------|---|---|--|
| 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. |

| | | | | |
|---|---------|--|--|---|
| 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 within the ranges and, as set out below, the consequent potential impact on the closing value of investments at 31 March 2024 and 31 March 2023.

| Asset Type | Value at 31 March 2024 £m | Percentage change % | Value on increase £m | Value on decrease £m |
|-----------------------------|------------------------------|------------------------|-------------------------|-------------------------|
| UK equities | 1.3 | 31 | 1.7 | 0.9 |
| UK Bonds | 0.7 | 6 | 0.7 | 0.7 |
| 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 |
| UK property | 96.0 | 16 | 111.4 | 80.6 |
| Total assets available to pay benefits | 2,060.2 | | 2,427.5 | 1,692.9 |

| Asset Type | Value at 31 March 2023 £m | Percentage change % | Value on increase £m | Value on decrease £m |
|---|--|------------------------------------|-------------------------------------|-------------------------------------|
| UK equities | 1.3 | 31 | 1.7 | 0.9 |
| UK Bonds | 0.7 | 6 | 0.7 | 0.7 |
| Pooled property funds | 305.7 | 23 | 376.0 | 235.4 |
| Pooled private equity funds | 423.2 | 31 | 554.4 | 292.0 |
| Pooled bond and debt funds | 510.0 | 11 | 566.1 | 453.9 |
| Pooled commodity funds | 21.3 | 22 | 26.0 | 16.6 |
| Pooled targeted return funds | 144.4 | 9 | 157.4 | 131.4 |
| Pooled timberland fund | 126.3 | 16 | 146.5 | 106.1 |
| Pooled infrastructure fund | 470.5 | 16 | 545.8 | 395.2 |
| UK property | 101.8 | 15 | 117.1 | 86.5 |
| Total assets available to pay benefits | 2,105.2 | | 2,491.7 | 1,718.7 |

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.

| Values at 31 st March 2024 | Quoted market price | Using observable inputs | With significant unobservable inputs | Total |
|---|---------------------|-------------------------|--------------------------------------|----------------|
| | Level 1 £m | Level 2 £m | Level 3 £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 | 0.0 | (2.0) |
| Net financial and non-financial assets carried at fair value | 2,727.3 | 1,074.5 | 2,060.2 | 5,862.0 |

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

| Values at 31 st March 2023 | Quoted market price | Using observable inputs | With significant unobservable inputs | Total |
|--|---------------------|-------------------------|--------------------------------------|---------|
| | Level 1 £m | Level 2 £m | Level 3 £m | |
| Financial and non-financial assets at fair value | 2,446.7 | 1,069.1 | 2,105.2 | 5,621.0 |
| Financial liabilities at fair value | (0.1) | 0.0 | 0.0 | (0.1) |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Net financial and non-financial assets carried at fair value | 2,446.6 | 1,069.1 | 2,105.2 | 5,620.9 |
|---|----------------|----------------|----------------|----------------|

The above table excludes cash and cash equivalents of £128.7m and other investment balances of £1.7m which are carried at amortised cost.

20b. Reconciliation of asset held at level 3

| | Value at 1 April 2023 £m | Purchases £m | Sales £m | Realised gains / (losses) £m | Unrealised gains or (losses) £m | Value at 31 March 2024 £m |
|------------------------------|-----------------------------------|-----------------|----------------|---------------------------------------|--|------------------------------------|
| UK Equities | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 | 1.3 |
| UK Bonds | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 |
| 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 |
| 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 | 0.0 | (148.6) | 4.2 | 0.0 | 0.0 |
| Pooled timberland funds | 126.3 | 0.0 | (3.1) | 0.8 | 0.8 | 124.8 |
| Pooled Infrastructure funds | 470.5 | 97.1 | (41.9) | 8.9 | 9.7 | 544.3 |
| UK Property | 101.8 | 0.4 | 0.0 | 0.0 | (6.2) | 96.0 |
| Total | 2,105.2 | 320.7 | (400.8) | 79.7 | (44.6) | 2,060.2 |

21. Classification of Financial Instruments

| | 2022/23 £m | | | | 2023/24 £m | | |
|--|------------------------------------|--------------------------|-------------------------------|----------------------------|------------------------------------|--------------------------|-------------------------------|
| | Fair value through profit and loss | Assets at amortised cost | Liabilities at amortised cost | | Fair value through profit and loss | Assets at amortised cost | Liabilities at amortised cost |
| | | | | Financial Assets | | | |
| | 20.9 | 0.0 | 0.0 | Equities | 24.1 | 0.0 | 0.0 |
| | 23.5 | 0.0 | 0.0 | Government Bonds | 53.7 | 0.0 | 0.0 |
| | 265.1 | 0.0 | 0.0 | Index-linked | 250.9 | 0.0 | 0.0 |
| | 5,207.0 | 0.0 | 0.0 | Pooled investment vehicles | 5,436.7 | 0.0 | 0.0 |
| | 2.7 | 0.0 | 0.0 | Derivatives contracts | 2.4 | 0.0 | 0.0 |
| | 0.0 | 128.7 | 0.0 | Cash and currency | 0.0 | 511.7 | 0.0 |
| | 0.0 | 0.0 | 0.0 | Other investment balances | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------|--------------|--------------|--------------------------------|----------------|--------------|--------------|
| 0.0 | 1.1 | 0.0 | Sundry debtors and prepayments | 0.0 | 1.5 | 0.0 |
| 5,519.2 | 129.8 | 0.0 | | 5,767.8 | 513.2 | 0.0 |
| | | | Financial Liabilities | | | |
| (0.1) | 0.0 | 0.0 | Derivatives contracts | (2.1) | 0.0 | 0.0 |
| 0.0 | 0.0 | 0.0 | Other investment balances | 0.0 | 0.0 | 0.0 |
| 0.0 | 0.0 | (2.4) | Sundry Creditors | 0.0 | 0.0 | (6.4) |
| (0.1) | 0.0 | (2.4) | | (2.1) | 0.0 | (6.4) |

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:

| 2022/23 £m | | 2023/24 £m |
|---------------|------------------------------------|---------------|
| | Financial Assets | |
| (58.5) | Fair value through profit and loss | 532.9 |
| | Financial Liabilities | |
| (0.7) | Fair value through profit and loss | (2.1) |
| (59.2) | Total | 530.8 |

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

| 2022/23 £ | | 2023/24 £ |
|---------------|--------------------------------------|---------------|
| 57,393 | Payable in respect of external audit | 96,563 |
| 57,393 | Total | 96,563 |

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 2023/24 reporting period:

| Asset type | Potential market movements |
|--|----------------------------|
| Cash | 0% |
| Index Linked Gilts (medium) | 7% |
| Fixed Interest Gilts (medium) | 6% |
| Private equity | 31% |
| Property | 16% |
| Commodities | 19% |
| Global Distressed Debt | 14% |
| Emerging Markets Equity Unhedged | 23% |
| Unlisted Infrastructure Equity | 14% |
| Diversified Growth Fund (high equity beta) | 12% |
| Diversified Growth Fund (medium equity) | 8% |
| Multi Asset Credit (sub inv grade) | 7% |
| All World Equity GBP Unhedged | 16% |
| Direct Lending (Private Debt) GBP Hedged | 11% |
| Corporate Short AA Low | 4% |
| Corporate Medium BBB | 8% |
| Asia-Pacific Equity Hedged | 18% |
| European Equity Hedged | 16% |
| US Equity Hedged | 17% |
| 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):

| Asset Type | Value at 31 March 2024 £m | Percentage change % | Value on increase £m | Value on decrease £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 managed futures fund | 0.0 | 0% | 0.0 | 0.0 |
| 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 |
| Total assets available to pay benefits | 6,374.9 | | 7,272.4 | 5,477.3 |

| Asset Type | Value at 31 st March 2023 | Percentage change | Value on increase | Value on decrease |
|---|---|----------------------|----------------------|----------------------|
| | £m | % | £m | £m |
| UK equities | 8.3 | 18 | 9.8 | 6.8 |
| Overseas equities | 12.6 | 18 | 14.9 | 10.3 |
| UK Corporate Bonds | 0.0 | 0 | 0.0 | 0.0 |
| Global Government Bonds | 287.9 | 7 | 308.1 | 267.7 |
| Pooled property funds | 305.7 | 23 | 376.0 | 235.4 |
| Pooled private equity funds | 423.2 | 31 | 554.4 | 292.0 |
| Pooled bond and debt funds | 1,037.2 | 10 | 1,140.9 | 933.5 |
| Pooled Protection funds | 9.8 | 9 | 10.7 | 8.9 |
| Pooled equity funds | 2,517.4 | 20 | 3,020.9 | 2,013.9 |
| Pooled commodity funds | 21.3 | 0 | 21.3 | 21.3 |
| Pooled targeted return funds | 144.4 | 9 | 157.4 | 131.4 |
| Pooled timberland fund | 126.3 | 16 | 146.5 | 106.1 |
| Pooled managed futures fund | 151.8 | 13 | 171.5 | 132.1 |
| Pooled infrastructure fund | 470.5 | 16 | 545.8 | 395.2 |
| UK property | 101.8 | 15 | 117.1 | 86.5 |
| Cash and currency | 128.7 | 0 | 128.7 | 128.7 |
| Other investment balances, current assets and current liabilities | 4.4 | 0 | 4.4 | 4.4 |
| Total assets available to pay benefits | 5,751.3 | | 6,728.4 | 4,774.2 |

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 2024 and 31st March 2023 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

| As at 31 March 2023 | Asset type | As at 31 March 2024 |
|------------------------|---------------------------|------------------------|
| 128.7 | Cash and Currency | 511.6 |
| 287.9 | Fixed interest securities | 303.9 |
| 416.6 | Total | 815.5 |

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.

| Exposure to interest rate risk | Carrying amount as at 31 March 2024 | Impact of increase | Impact of decrease |
|-----------------------------------|---|-----------------------|-----------------------|
| | £m | +100 BPS £m | -100 BPS £m |
| Cash and Currency | 511.6 | 511.6 | 511.6 |
| Fixed interest securities | 303.9 | 260.9 | 354.6 |
| Total | 815.5 | 772.5 | 866.2 |

| Exposure to interest rate risk | Carrying amount as at 31 March 2023 | Impact of increase | Impact of decrease |
|-----------------------------------|---|-----------------------|-----------------------|
| | £m | +100 BPS £m | -100 BPS £m |
| | | | |

| | | | |
|---------------------------|--------------|--------------|--------------|
| Cash and Currency | 128.7 | 128.7 | 128.7 |
| Fixed interest securities | 287.9 | 243.9 | 341.8 |
| Total | 416.6 | 372.6 | 470.5 |

Assets exposed to interest rate risk:

| Exposure to interest rate risk | Interest receivable | Impact of increase | Impact of decrease |
|--------------------------------|---------------------|--------------------|--------------------|
| | 2023/24 | +100 BPS | -100 BPS |
| | £m | £m | £m |
| Cash and Currency | 19.2 | 22.4 | 16.0 |
| Fixed interest securities | 2.4 | 2.4 | 2.4 |
| Total | 21.6 | 24.8 | 18.4 |

| Exposure to interest rate risk | Interest receivable | Impact of increase | Impact of decrease |
|--------------------------------|---------------------|--------------------|--------------------|
| | 2022/23 | +100 BPS | -100 BPS |
| | £m | £m | £m |
| Cash and Currency | 2.3 | 3.9 | 0.7 |
| Fixed interest securities | 2.0 | 2.0 | 2.0 |
| Total | 4.3 | 5.9 | 2.7 |

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 2023 £m | Currency exposure – asset type | Asset value as at 31 March 2024 £m |
|---------------------------------------|--|---------------------------------------|
| 12.6 | Overseas equities | 14.4 |
| 18.9 | Overseas government bonds | 25.3 |
| 5.2 | Overseas government index-linked bonds | 0.0 |
| 951.8 | Overseas pooled investment vehicles | 978.7 |

| | | |
|----------------|------------------------------|----------------|
| 30.7 | Overseas cash and currency | 39.8 |
| 1,019.2 | Total overseas assets | 1,058.2 |

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 8.9% (as measured by one standard deviation).

An 8.9% 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 8.9% 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 | Change to net assets available to | |
|---|---------------------|-----------------------------------|---------------|
| | at 31 March 2024 | 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 government index-linked bonds | 0.0 | 0.0 | 0.0 |
| Overseas pooled investment vehicles | 978.7 | 1,065.8 | 891.6 |
| Overseas cash and currency | 39.8 | 43.3 | 36.3 |
| Total change in assets available | | 94.2 | (94.2) |

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 2024 was £511.6m (31st March 2023: £128.7m).

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 2024 the value of illiquid assets (considered to be the Fund's investments in property, hedge funds, private equity, timberland and infrastructure) was £1.5bn, which represented 23% of total Fund assets. (31st March 2023: £1.4bn, which represented 25% 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 2024 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 2024.

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 £2.6m 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 2024 £2.6m of this was a creditor balance in the Fund accounts. Contributions of £71.8m were receivable from LCC during 2023/24 (£64.6m 2022/23) of which £5.6m was still outstanding at 31 March 2024 (£5.4m at 31 March 2023).

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 2023/24 a total of £1.7m (£1.0m 2022/23) was payable to LGPS Central Ltd for governance, operator and product development fees. Of these £0.5m was a creditor balance at the year end. As at 31 March 2024, £2.6bn of LCC LGPS investments were managed by LGPS Central Ltd (£2.3bn as at 31 March 2023).

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 £2.5m, 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 31st March 2024, the Fund had the following contractual commitments: -

| | 31-Mar-23 | 31-Mar-24 |
|---|--------------|--------------|
| | £m | £m |
| Aberdeen Standard Life Capital SOF III Fund | 10.3 | 8.4 |
| Adams Street Partners L.P. | 90.2 | 69.8 |
| Infracapital Greenfield Partners I Fund | 4.3 | 1.8 |
| M & G Debt Opportunities Funds III & IV | 17.9 | 0.8 |
| KKR Global Infrastructure | 7.9 | 7.2 |
| Stafford International Timberland & Carbon Offset Funds | 54.2 | 53.3 |
| LGPS Central PE Primary Partnership 2018 LP | 2.4 | 1.8 |
| LGPS Central PE Primary Partnership 2021 LP | 29.1 | 24.9 |
| LGPS Central PE Primary Partnership 2023 LP | 0.0 | 40.0 |
| LGPS Central UK Direct Property | 0.0 | 69.3 |
| Quinbrook Infrastructure Partners | 19.1 | 46.9 |
| Partners Group Multi Asset Credit VI and VII | 22.3 | 11.7 |
| Total | 556.7 | 585.5 |

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:

| 2022/23 | | 2023/24 |
|-------------|-----------------------|-------------|
| £000s | | £000s |
| 21.5 | Short-term benefits | 27.1 |
| 6.1 | Pension contributions | 8.0 |
| 27.6 | Total | 35.1 |

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 2022/23 £2.5m in contributions were paid to Prudential. The capital value of all AVC's at year end 31 March 2023 was £18.7m. The equivalent figures for 31 March 2024 were not available at the time of publishing the draft 2023/24 accounts. This will be updated in the final published audited statements.

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 (ISS)

Administration and Communication Strategy

Funding Strategy Statement (FSS)

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 2023/24 (or 2022/23). 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.

Pension Fund Accounts Reporting Requirement

Introduction

CIPFA's Code of Practice on Local Authority Accounting 2023/24 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

| Year ended | 31 March 2024 | 31 March 2023 |
|-----------------------|---------------|---------------|
| Active members (£m) | 2,490 | 2,333 |
| Deferred members (£m) | 1,087 | 1,098 |
| Pensioners (£m) | 2,249 | 2,304 |
| Total (£m) | 5,826 | 5,735 |

The promised retirement benefits at 31 March 2024 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 2024 and 31 March 2023. I estimate that the impact of the change in financial assumptions to 31 March 2024 is to decrease the actuarial present value by £330m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £35m.

Financial assumptions

| Year ended | 31 March 2024 | 31 March 2023 |
|-----------------------------|---------------|---------------|
| | % p.a. | % p.a. |
| Pension Increase Rate (CPI) | 2.75% | 2.95% |
| Salary Increase Rate | 3.25% | 3.45% |
| Discount Rate | 4.85% | 4.75% |

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 2022 model, with a 25% weighting of 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 | 21.1 years | 24.0 years |
| Future pensioners (assumed to be aged 45 at the latest valuation date) | 21.8 years | 25.4 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 2024 | Approximate % increase to promised retirement benefits | Approximate monetary amount (£m) |
|---|--|----------------------------------|
| 0.1% p.a. decrease in the Discount Rate | 2% | 109 |
| 1 year increase in member life expectancy | 4% | 233 |
| 0.1% p.a. increase in the Salary Increase Rate | 0% | 5 |
| 0.1% p.a. increase in the Pension Increase Rate (CPI) | 2% | 111 |

Professional notes

This paper accompanies the 'Accounting Covering Report – 31 March 2024' 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

21 May 2024

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.



MR. L. BRECKON
CABINET LEAD MEMBER FOR CORPORATE RESOURCES
28 JUNE 2024

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 2024 and its income and expenditure for the year ended the same date.



D KEEGAN
DIRECTOR OF CORPORATE RESOURCES
28 JUNE 2024

Investments and Funding

Investment Strategy Statement

The Investment Strategy Statement (ISS) was last amended and approved by the Local Pensions Committee in March 2024. A fuller review takes place at least every three years with the next one due to take place during 2024. The ISS is compliant with regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The ISS which remained in place for much of 2023/24 was approved by the Local Pension Committee in March 2023. In January 2024 minor updates were made which included reference to the 2024 strategic asset allocation as proposed by the Fund's investment advisor. The following actions (not exhaustive) were made during 2023/24 in response to ISS:

- A listed equity review was commissioned, and proposals were presented to the Investment Sub-Committee for consideration at its meeting in April 2023. The review made proposals that took into account the large proportion of Fund assets allocated to listed equity and their ability to materially affect overall future returns expectations, costs of changes, the effect on the Fund's Responsible Investment (RI) ambitions and policy, as well as the achievement of its new Net Zero Climate Strategy. The listed equity changes were proposed to be completed in stages with the final stage taking place in 2024/25 after a LGPS Central initiated a three-year global equity investment fund product review.
- The 2023 strategic asset allocation reduced the allocation to the targeted return asset class. The strategy was to move from 7.5% of total Fund assets to 5.0% was and this was approved by the Investment Sub-Committee in April 2023. The changes agreed moved the Fund towards a simpler structure encompassing two managers that were more likely to meet the Fund's investment returns ambition for this asset class.
- The Fund continued to make inroads to pooling in line with its ISS. At the year end the Fund has £2.5bn invested across 12 investment products with LGPS Central. In addition, the Fund has outstanding commitments with LGPS Central of c£0.4bn across 8 investment products. The Fund also has invested into collectively procured low-cost passive listed equities with Legal and General investment management (LGIM) prior to the commencement of pooling. At the year end these investments were valued at £1.1bn.

The annual review of the ISS takes into account the Funding Strategy Statement for the Fund, including the link between required future investment returns in order to be a fully funded scheme (as per the last triennial valuation) and an updated view of expected returns from the asset classes the Fund is invested in. Where adjustments to the asset allocation are required, the investment advisor makes proposals which are presented for approval to the Local Pension Committee, usually in January each

year. The process to review the Fund's strategic asset allocation for the Fund commences months in advance with officers meeting with the investment advisors to discuss the scope and priorities for the review.

Any recommendations made will take into account other factors such as costs incurred (management and performance fees), as well as liquidity and environmental, social and governance (ESG) considerations for example. The Fund has a specific Net Zero Climate Strategy which has medium term targets and all investment recommendations will take these targets into consideration when proposals are made.

Funding Strategy Statement

The Fund's Funding Strategy Statement (FSS) is reviewed annually as part of the Fund's annual review of policies and approved by the Local Pension Committee. The FSS is written in conjunction with the Fund Actuary and employers are consulted on significant changes.

The FSS was last reviewed in February 2024 and is next scheduled for review in 2025 as part of the next Fund valuation.

Amendments made to the FSS during the period included;

- Inclusion of the Fund's cash management strategy (CMS) which is based on the Administering Authority's policy on approved organisations for lending. This Policy was supported by the Administering Authority's external treasury management advisor.
- An update with the most recent strategic asset allocation (SAA) approved by the Local Pension Committee in January 2024.

Officers are comfortable that the ISS and FSS are compliant with statutory guidance.

Investment Performance

The Fund's asset class investment performance over the year is shown below, alongside the benchmark. Over the period a return of 9.1% was achieved including the effect of the Fund's hedging programme. Excluding the hedge, an 8.9% return was achieved versus a benchmark return of 11.4%. This underperformance against the benchmark was attributable mainly to private equity and infrastructure which performed poorly over the one year period but have been in line with expectations over longer three and five year periods.

The Fund sees longer term performance as important as short-term performance and as such recognises that there is likely to be sustained periods of underperformance for a variety of reasons. The Local Pension Committee members are presented with investment performance reports regularly across various timeframes and their attention is drawn to any areas of underperformance. For example, due to the way performance is calculated for private equity investments (underlying holdings can be valued infrequently) the actuals performance can

sometimes lag the public market benchmark comparisons which are based on the listed equity markets. This has been the case during 2023/24, when over a one year period, private equity underperformed the benchmark but has performed in line with benchmarks over longer timeframes.

| Asset class | 1 year return | Benchmark | Difference |
|------------------------------|---------------|-----------|------------|
| <i>Growth assets</i> | 13.8% | 18.0% | -4.2% |
| Listed Equity | 17.6% | 18.0% | -0.4% |
| Private Equity | -1.8% | 24.1% | -25.9% |
| Targeted Return | 5.7% | 9.1% | -3.4% |
| <i>Income assets</i> | 4.0% | 6.1% | -2.1% |
| Infrastructure | 2.7% | 9.1% | -6.4% |
| Global private credit | 7.5% | 9.0% | -1.5% |
| Property | -1.7% | -1.7% | 0.0% |
| liquid multi asset credit | 6.7% | 9.1% | -2.4% |
| Emerging market debt | 12.4% | 7.6% | 4.8% |
| <i>Protection assets</i> | 0.7% | -0.5% | 1.2% |
| Inflation linked bonds | -5.2% | -5.0% | -0.2% |
| Investment grade (IG) credit | 8.6% | 6.3% | 2.3% |
| Short dated IG credit | 6.3% | 6.3% | 0.0% |
| Cash | 4.2% | 5.1% | -0.9% |
| Total ex hedge | 8.9% | 11.4% | -2.5% |
| Total inc hedge | 9.1% | n/a | n/a |

Responsible Investment and Environmental Social and Governance Issues

The term ‘responsible investment’ (RI) refers to the integration of financially material Environmental, Social, and Governance (ESG) factors into investment processes. RI is relevant both before and after the investment decision and is a core part of the Fund’s fiduciary duty. It is distinct from ‘ethical investment,’ which prioritises an organisation’s moral persuasions over its investment considerations.

As a long-term asset owner, the Fund believes that RI can enhance long-term investment performance. The Fund has integrated this belief into its ISS and is committed to continual improvement through its annual RI Plan. The Fund’s approach is integrated in two key areas:



Sustainable investment through consideration of environmental, social and governance (ESG) factors: The Fund considers the financial impact of ESG factors on its investments, including climate risk.

Throughout 2023/24 the Fund appointed and invested in investment managers that all demonstrated clear ability to integrate ESG and embed these factors into its investment processes. These actions included:

- Investment in LGIM's Low Carbon Transition Fund bringing the total of climate specific listed equity investments to 15.5% of Total Fund Assets
- \$114m million committed to the Quinbrook Net Zero Power Fund. That invests in solar power with battery systems, both as part of the decarbonisation of the energy system, and as part of demand from data centres.
- Consideration of the climate change implications on the Fund's protection portfolio.

Investment Managers delivered presentations on traditional market and performance metrics as well as ESG updates. These presentations enhance the knowledge of the Committee to make more informed decisions in the future on the issues surrounding each asset class.



Stewardship and governance: The Fund acts as a responsible investor/owner by voting its shares thoughtfully and engaging with investee company management as part of the investment process.

Collective pressure from investors has helped to encourage listed companies to enhance their corporate governance and to improve their environmental and social impacts. The Local Pension Committee integrates RI matters into every meeting and is supported by its partners that report quarterly on their engagement activities, key partners are highlighted below, and the Fund is also supported in its activities by its investment managers.

Each Committee meeting an Investment Manager is invited to present on their strategy, performance and responsible investment providing an opportunity for Committee to question and challenge and gain assurance.

The Fund expects the proportion of assets to be managed by LGPS Central to increase over time as assets are transitioned into pooled vehicles, whereby Central's Responsible Investment and Engagement Framework will be applied to all investments.

Voting

LGPS Central provide the Fund with a quarterly update of voting activity. This is focused on listed equities. This voting activity covers the funds managed by Central and the fund's managed by Legal and General Investment Management (LGIM). On 31st March 2024 this covered c43% of all Fund assets. Around 20% of fund assets reside within debt and property and have no voting rights.

Both Central and LGIM with whom the Fund has the majority of listed equities vote at company meetings in line with their relevant policies.

| Voting Policies | Voting Disclosures |
|--|------------------------------|
| LGPS Central March 2023 Voting Principles | LGPS Central |
| LGIM Global Corporate Governance and Responsible Investment Policy | LGIM |

Over 2023 75,596 votes were cast on our behalf at 6241 meetings. At 4148 of these meetings, we opposed one or more resolutions. The Committee receives the results of engagement and voting activities on a quarterly basis, via voting reports and quarterly LAPFF, LGIM and LGPS Central updates.









The largest area the Fund voted against or abstained related to board structure. These resolutions may relate to issues such as voting against non-independent non-executive directors where there is not sufficient independent oversight on a company board, for example.

Climate Change and the Net Zero Climate Strategy

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.

A full report of the Fund's activities in managing climate risk and opportunities over 2023 is available [here](#):

Net Zero by 2050, with an ambition for sooner

| | |
|---|--|
|  <p>Achieve a 40% reduction in absolute carbon emissions for the equity portfolio by 2030</p> |  <p>Halve the carbon intensity of the Equity portfolio by 2030</p> |
|  <p>Increase the Fund's exposure to climate solutions.</p> |  <p>Reduce the Fund's exposure to fossil fuel reserves.</p> |
|  <p>90% of the Fund's assets under management in material sectors are classified as achieving Net Zero, aligned or aligning by 2030.</p> |  <p>90% of the Fund's financed emissions are classified as achieving Net Zero, aligned or aligning, or subject to an engagement programme to build that about by 2030</p> |
|  <p>Increase asset coverage analysed to 90% by 2030</p> |  <p>Operational targets for Leicestershire County Council (Scheme Manager) and LGPS</p> |

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](#). This is supplemented by the following Taskforce on Climate-related financial disclosures report.

Taskforce on Climate-related financial disclosures (TCFD) 2023 Extract




The Fund's TCFD report sets out its approach to climate-related risks and opportunities. Climate change is already causing widespread impacts on people and infrastructure, affecting scheme members, employers, and the local communities they support. With scientists predicting that extreme events are becoming more common and severe it is important that the Fund manages climate risks and opportunities to its investments and liabilities. The Funds full 2023 TCFD report can be viewed [here](#).

- **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.

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.
- **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.
- **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 31st March 2023, the Fund is on track against each metric for its equity portfolio where baseline data as of 31st December 2019 is available.

| Net Zero Climate Strategy Equity Targets | On Track |
|---|---|
| 50% reduction in carbon intensity by 2030 |  |
| 40% reduction in absolute carbon emissions by 2030 |  |
| Reduced exposure to fossil fuel reserves |  |
| Increased exposure to climate solutions |  |
| 90% of material sector companies aligned or aligning by 2030 | <i>Reported for the first time 2023</i> |
| 90% of financed emissions aligned, aligning or subject to an engagement by 2030 | |

Strategic Asset Allocation

The Fund's target strategic asset allocation (SAA) as at the January 2024 is shown below alongside the actual allocation at the end year end. The difference to the January 2024 target is also shown bearing in mind alignment will take an amount of 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.

The SAA is updated once a year usually in the first calendar quarter and proposals are presented to, and discussed with, the Local Pension Committee for approval. 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.

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 reduce risk adjusted returns by tilting towards better asset classes and away from others that may be deemed overvalued from a risk versus returns perspective and increase potential returns by rebalancing mechanically by divesting from assets that have increased in value and reinvesting in those which have fallen. Neither is a guarantee for success, however, both form part of the Fund's long term investment strategy.

Individual investment manager choices are important as they can produce added value by outperforming their benchmarks, but their influence is smaller in comparison to the choice of benchmark. 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 2024 target SAA is described as being overweight 'growth' assets by 4.0% and underweight 'income' assets by 10%. Growth assets contain the Funds equity holdings which have performed well over the one year and in line with their benchmarks, taken together with other asset classes that have not performed as well as the growth asset class which has increased the overweight to the target allocation. Whilst the Fund is awaiting capital calls made to underweight areas and has ample cash available it is deemed appropriate to maintain an overweight position to growth assets and in particular listed equity.

The UK exposure has been calculated using manager data where provided at the year end. Including the UK sterling cash 28% of the Fund is exposed to the UK and 21% excluding the cash.

| Asset group / class | Actual Weighting 31 March 2024 | Target SAA Jan 2024 | Difference actual to Jan 2024 SAA target | UK exposure % 31 March 2024 |
|---------------------------------|---------------------------------------|----------------------------|---|------------------------------------|
| Growth | 54.0% | 50.0% | +4.0% | 6.6% |
| Listed equity | 42.7% | 37.50% | +5.2% | 3.8% |
| Private equity | 6.6% | 7.5% | -0.9% | 0.5% |
| Targeted return | 4.7% | 5.0% | -0.3% | 2.3% |
| Income | 31.9% | 42.0% | -10.1% | 10.1% |
| Infrastructure | 9.9% | 12.5% | -2.6% | 1.3% |
| Property | 7.2% | 10.0% | -2.8% | 6.8% |
| Private credit | 8.3% | 10.5% | -2.2% | 1.4% |
| Liquid global credit | 5.5% | 9.0% | -3.5% | 0.6% |
| Emerging market credit | 1.0% | 0.0% | +1.0% | 0.0% |
| Protection | 14.1% | 8.00% | +6.1% | 11.4% |
| Inflation linked bonds | 3.7% | 3.5% | +0.2% | 3.7% |
| Investment grade credit | 3.5% | 3.75% | -0.25% | 1.0% |
| Cash including hedge collateral | 6.9% | 0.75% | +6.15% | 6.6% |
| | 100.0% | 100.0% | | 28.1% |

During 2023/24 Investment Subcommittee decisions were taken to realign to the strategic asset allocation. The move from growth assets to income assets involved a listed equity review which was agreed and would take at least one year to achieve the reorganisation of the current listed equity funds and divest the exposure given the lower strategic allocation of 37.5% to listed equity. The planning of this exercise involved the appointment of a transition advisor who proposed the four stage plan and consulted with the Fund's investment advisor.

A targeted return review was also undertaken which paved the way to achieve the lower target allocation of 5% (reduced from 7.5%) of total Fund assets. In addition,

the proposed solution approved by the ISC simplified the Fund by utilising two managers instead of three to achieve the aims of the targeted return strategy.

A protection assets review was presented to the ISC during the year with the aim of reviewing the current structure of strategies used, use of alternative strategies and assessment of the total allocation that would be desirable to achieve the Fund's long term aims. Although many alternatives were considered alongside extensive modelling of the Fund's assets and liabilities far out into the future it the outcomes was to maintain the current use of managers and strategies. The Fund currently considers the use of index linked bonds (mainly UK), investment grade corporate bonds and a currency hedge to reduce volatility from the overseas currency exposure as it's primary protection assets.

Smaller proposals to the infrastructure and private equity asset class were also approved as a normal course of action in order to maintain exposure to these asset classes as capital is returned to the Fund from older investments that have reached maturity.

Although some investments have moved over to LGPS Central as part of asset pooling, the Local Pension Committee still retain full responsibility for asset allocation and will continue to be accountable for the majority of the Fund's investment performance.

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 | 13.8 | 18.0 | 9.6 | 9.4 | 10.2 | 9.9 |
| Income assets | 4.0 | 6.1 | 5.0 | 4.9 | 4.0 | 4.3 |
| Protection assets | 0.7 | -0.5 | -5.4 | -6.5 | -2.1 | -2.6 |
| | | | | | | |
| TOTAL FUND ex HEDGE | 8.9 | 11.4 | 6.6 | 6.3 | 7.0 | 6.8 |

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.

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 vital. 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 which are compiled on a quarterly basis are appended to every set of Local Pension Committee papers.

It is unlikely 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 employs that evidenced this in 2022 when both equity and bond markets fell in tandem. A small negative return in 2022/23 (which was in line with the benchmark) can be considered a reasonable 'return' considering the turbulent world economics over that year.

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.

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 two active equity investments with LGPS Central (the pooling company), a global equity multi manager investment and an active emerging market multi manager product. The Fund also has invested into a passive product in 2020 with LGPS Central, a climate multi factor fund.

Within the growth assets group, the Fund also includes private equity investments (investments in unquoted companies), the vast majority of which is managed by Adams Street Partners as well as investment in three LGPS Central Private Equity vintages.

The final constituents of the growth asset group are two managers classed within 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 employed in this area Ruffer and Fulcrum asset management.

Income Assets

Property - Colliers Capital UK manage a directly owned property portfolio. LaSalle Investment Management manage a portfolio of pooled property funds, which includes a wide range of property types and some which are specialist in nature. 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 timber farms to value add / opportunistic exposure including asset leasing, data centres and renewables.

Other asset classes included within the income class include various types of credit investments. Emerging market credit and private credit to corporate enterprises feature in this class. Partners Group are the single largest private credit manager based on assets under management with whom the Fund invests. Over time this will change as more assets are pooled via LGPS Central who have developed a range of private credit solutions.

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 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 couple of years as a combination of negative factors pushed prices lower. 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.

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.

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

Assets under management

In total as at 31 March 2024, £2.5bn 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 2024 57% 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 below reflects the information required by Partner Funds to meet the CIPFA Annual Report Pooling Disclosures in 2023/24. 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

| £000 | 2018/19 Direct | 2018/19 Indirect | 2018/19 Total | 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 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Cumulative Total |
|-----------------------------|---------|---------|---------|---------|---------|---------------------|
| Set-Up Costs Before Funding | - | - | 95 | 419 | - | 514 |
| Set-Up Costs After Funding | - | - | 95 | 2,419 | - | 2,514 |
| Transition Costs | | | | | | |

Transition fees – please see item 8 later for a more detailed breakdown of the information required.

2. Recharges By Partner Funds to LGPSC in respect of Set-Up Costs

| £000 | At 1 April-18 | Recharges in Year | Settled in Year | At 31 March-19 |
|-----------------------|---------------|-------------------|-----------------|----------------|
| Set-Up Cost Recharges | 502 | - | (502) | - |

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

| £000 | At 1 April-23 | Charges in Year | Settled in Year | At 31 March-24 |
|---------------------------|---------------|-----------------|-----------------|----------------|
| Governance Costs | - | 291 | - | - |
| Operator Costs | - | 816 | - | - |
| IMMC (*) | - | 609 | - | - |
| Product Development Costs | - | 85 | - | - |
| Total | 531 | 1,801 | (1,404) | 928 |

(*) 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 Information Request (5) and (6) below.

4. Other Transactions between Partner Funds and LGPSC (e.g., service support provided by West Midlands to LGPSC / rent payable by LGPSC to Derbyshire County Council)

| £000 | At 1 April-23 | Charges in Year | Settled in Year | At 31 March-24 |
|------------------|---------------|-----------------|-----------------|----------------|
| Interest Payable | 46 | 65 | (46) | 65 |
| Item 2 | | | | |
| Item 3 | | | | |
| Total | 46 | 65 | (46) | 65 |

5. LGPSC Investment Management Expenses Charged to Partner Funds

| | £000 | Direct | Indirect | Total | Bps Charge |
|---|-------------------------|--------|----------|-------|------------|
| 1 | Ad Valorem | 3,012 | | 3,012 | 13.89 |
| 2 | Performance | - | | - | - |
| 3 | Research | - | | - | - |
| 4 | PRIIPS Compliance | - | | - | - |
| 5 | Other (provide details) | 2 | | 2 | 0.01 |
| | Management Fees | 3,014 | - | 3,014 | 13.90 |
| 6 | Commissions | 525 | | 525 | 2.42 |
| 7 | Acquisition/issue costs | - | | - | - |
| 8 | Disposal costs | - | | - | - |

| | | | | | |
|----|------------------------------|--------|---|--------|-------|
| 9 | Registration/filing fees | - | | - | - |
| 10 | Taxes and Stamp Duty | 2,981 | | 2,981 | 13.74 |
| 11 | Other (provide details) | | | - | - |
| | Investment Administration | | | - | - |
| | Other administration charges | | | - | - |
| | Implicit Costs | 6,172 | | 6,172 | 28.46 |
| | Transaction Costs | 9,678 | - | 9,678 | 44.62 |
| | | | | | - |
| 12 | Custody/Depository | 215 | | 215 | 0.99 |
| 13 | Other (provide details) | | | | - |
| | Fund Accounting | 219 | | 219 | 1.01 |
| | Transfer Agent | 18 | | 18 | 0.08 |
| | Property Expenses | 113 | | 113 | 0.52 |
| | External Audit | 20 | | 20 | 0.09 |
| | Performance Reporting | 14 | | 14 | 0.06 |
| | Transaction Charges | 616 | | 616 | 2.84 |
| | MACS Fees | 4 | | 4 | 0.02 |
| | Total Costs | 13,911 | | 13,911 | 64.14 |

Note: The total of the analysis should reconcile to request (6) below

6. Investment Management Expenses By Product / Service

| £000 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | Total 2023/24 Costs | AUM At 31 March 2024 £m | 2023/24 Bps Charge |
|----------------------------|--------------|----------|----------|----------|----------|------------|----------|----------|----------|--------------|--------------|------------|--------------|---------------------|-------------------------|--------------------|
| Global Multi-Manager | 1,131 | | | | | 145 | | | | 158 | 985 | 54 | 17 | 2,490 | 636 | 45.03 |
| Climate Factor Fund | 171 | | | | | 264 | | | | 304 | (355) | 85 | 23 | 492 | 812 | 6.03 |
| Emerging Market Equities | 685 | | | | | 111 | | | | 174 | 97 | 32 | 26 | 1,125 | 185 | 63.20 |
| Corporate Bonds | 145 | | | | | - | | | | - | 580 | 13 | 6 | 744 | 159 | 49.93 |
| Emerging Market Debt | 233 | | | | | - | | | | - | 4,873 | 9 | 12 | 5,127 | 63 | 457.77 |
| Multi-Asset Credit | 129 | | | | 2 | | | | | 2,345 | | 2 | 769 | 3,247 | 49 | 4638.57 |
| ACS Sub-Funds | 481 | | | | | 5 | | | | - | (8) | 20 | 151 | 649 | 349 | 28.46 |
| | 2,975 | - | - | - | 2 | 525 | - | - | - | 2,981 | 6,172 | 215 | 1,004 | 13,874 | 2,253 | |
| Private Equity 2018 V'tage | | | | | | | | | | | | | | | | |
| Private Equity 2021 V'tage | 3 | | | | | | | | | | | | | 3 | 10 | 3.00 |
| Private Debt | 10 | | | | | | | | | | | | | 10 | 30 | 12.50 |
| Infrastructure | 13 | | | | | | | | | | | | | 13 | 160 | 1.78 |
| Alternative Vehicles | 11 | | | | | | | | | | | | | 11 | 70 | 3.14 |
| | 37 | - | - | - | - | - | - | - | - | - | - | - | - | 37 | 270 | |
| | | | | | | | | | | | | | | | | |
| Total | 3,012 | - | - | - | 2 | 525 | - | - | - | 2,981 | 6,172 | 215 | 1,004 | 13,911 | 2,523 | 64.14 |

Items 1 – 13 relate to the categories highlighted in data request (5).

7. Asset Under Management & Performance By Product / Service

| £000 | AUM At 1 April- 23 £m | AUM At 31 March- 24 £m | One Year Gross Performance % | One Year Net Performance % | Passive Benchmark Used | One Year Passive Index % |
|-------------------------------------|-----------------------------|------------------------------|---------------------------------|-------------------------------|---|--------------------------------|
| Global Multi- Manager | 521 | 636 | 22.52% | 22.28% | FTSE All World Index | 20.98% |
| Climate Factor Fund | 896 | 812 | 19.04% | 18.99% | FTSE All-World Climate Balanced Comprehensive Factor Index | 18.66% |
| Emerging Market Equities | 182 | 185 | 2.48% | 1.75% | FTSE Emerging Markets Index | 6.20% |
| Corporate Bonds | 147 | 159 | 8.66% | 8.56% | ICE BofAML Sterling Non-Gilt Index 50%; ICE BofAML Global Corporate Index 50% | 6.29% |
| Direct Property | - | 49 | 1.10% | -1.30% | MSCI Quarterly index | 0.50% |
| Emerging Market Debt | 111 | 63 | 12.63% | 12.41% | JPMorgan EMBI Global Diversified Index, hedged to GBP | 10.36% |
| Multi-Asset Credit ACS Sub-Funds | 213 | 349 | 6.99% | 6.69% | 3-month GBP SONIA | 5.23% |
| | 2,070 | 2,253 | | | | |
| Private Equity 2018 Vintage | 10 | 10 | | | | |
| Private Equity 2021 V'tage | 30 | 30 | | | | |
| Private Debt | 417 | 160 | | | | |
| Infrastructure | 100 | 70 | | | | |
| Alternative Vehicles | 557 | 270 | | | | |
| | | | | | | |
| Total | 2,627 | 2,523 | | | | |

8. Transition Costs

No transitions in 2023/24.

ASSET TABLE

A supplementary table in line with new guidance is included below showing allocations to UK investments across four asset classes in sterling. Note that the 'not pooled' UK listed equity exposure is via collectively procured low cost passive Legal and General investment management funds. The Fund considers these low cost passive investments as pooled investments given the low fees and collective nature of the procurement process. The Fund is currently developing its reporting for levelling up as defined by Government policy.

| £million asset values as at 31 March 2024 | Pooled | Under pool management | Not pooled | Total |
|---|--------|-----------------------|------------|-------|
| UK listed equities | 75 | 15 | 162 | 253 |
| UK government bonds | 46 | 98 | 253 | 396 |
| UK infrastructure | 25 | | 56 | 81 |
| UK private equity | 1 | | 34 | 35 |
| Total | 146 | 113 | 505 | 764 |

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 2024 £m | Pooled (LGPS Central) | Under LGPS Central advisory management | Not Pooled | Total |
|-------------------------------------|-----------------------|--|--------------------|--------------|
| Growth | 1,645 | 299 | 1,466 | 3,410 |
| Listed equity | 1,633 | | 1,064 ¹ | 2,697 |
| Private equity | 12 | | 402 | 414 |
| Targeted return | | 299 | | 299 |
| | | | | |
| Income | 731 | 0 | 1,286 | 2,016 |
| Infrastructure | 60 | | 568 | 628 |
| Property | 49 | | 403 | 452 |
| Private credit | 210 | | 315 | 525 |
| Liquid global credit | 348 | | | 348 |
| Emerging market credit | 63 | | | 63 |
| | | | | |
| Protection | 159 | 0 | 732 | 892 |
| Inflation linked bonds | | | 235 | 235 |
| Investment grade credit | 159 | | 60 | 220 |
| Cash including hedge collateral | | | 437 | 437 |
| | | | | |
| Total | 2,535 | 299 | 3,484 | 6,318 |
| % of total AUM | 40% | 5% | 55% | |

¹ the £1.064bn (16.8% of total fund) of assets relate to the Fund's collectively procured Legal and General investment management (LGIM) passive equity investments. The contract with LGIM was procured together by seven local authorities prior to the commencement of pooling. The Fund sees this low cost passive investment as essentially pooled. Adding this to the 40% of 'pooled' value equates to 57% of total fund assets being classified as 'pooled'.

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

| £m Asset Values at at 31 March 2024 | Pooled | Under LGPS Central advisory management | Not Pooled | Total |
|--|---------------|---|-------------------|--------------|
| Equities | 1,633 | | 1,064 | 2,697 |
| Bonds | 570 | | 296 | 866 |
| Property | 49 | | 403 | 452 |
| Hedge Funds | | 299 | | 299 |
| Diversified Growth Funds | | | | 0 |
| Private Equity | 12 | | 402 | 414 |
| Private debt | 210 | | 315 | 525 |
| Infrastructure | 60 | | 568 | 628 |
| Derivatives | | | | 0 |
| Cash and net current assets | | | 437 | 437 |
| Other | | | | 0 |
| total | 2,535 | 299 | 3,484 | 6,318 |
| % of total AUM | 40% | 5% | 55% | |

Administration

Summary of Activity

The Pension Section dealt with various areas of administration throughout 2023/24. 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 DLUHC.

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.

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

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

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> |
|-------------------------------|-----------------------|--------------------------|---------------------------------------|--------------|
| 2020/21 | 36,972 | 30,469 | 30,089 | 97,530 |
| 2021/22 | 37,139 | 30,704 | 31,397 | 99,240 |
| 2022/23 | 38,823 | 31,811 | 32,560 | 103,194 |
| 2023/24 | 40,848 | 32,250 | 33,902 | 107,000 |
| Difference in the year | 2,025 | 439 | 1,342 | 3,806 |

As of the 31 March 2024 there were 6,499 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.

| Employer Name | Employer Contributions | Employee Contributions |
|------------------------------------|-------------------------------|-------------------------------|
| | £000 | £000 |
| Leicester City Council | 51,318 | 11,985 |
| Leicestershire CC | 45,431 | 10,858 |
| The Chief Constable & The OPCC | 11,834 | 3,284 |
| Leics De Montfort University | 11,469 | 3,177 |
| Loughborough University | 7,057 | 1,585 |
| Charnwood Borough Council | 4,094 | 827 |
| Rutland CC | 3,254 | 848 |
| North West Leics DC | 2,832 | 940 |
| Hinckley and Bosworth BC | 2,796 | 718 |
| Blaby District Council | 2,353 | 608 |
| ESPO | 2,252 | 537 |
| Harborough District Council | 2,046 | 403 |
| Oadby and Wigston BC | 1,407 | 284 |
| Melton BC | 1,309 | 356 |
| Leics Fire Service (Civilians) | 1,070 | 295 |
| FE and Sixth Form colleges | 6,609 | 1,712 |
| Town & Parish Councils | 644 | 194 |
| Academies, Free Schools and others | 34,758 | 8,364 |
| Total | 192,533 | 46,975 |

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 DLUHC.

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 2024. To compare the 2023/24 costs, information from three years prior is included.

The Fund has 37 full time equivalent working in Pension Scheme Administration including two additional full time temporary staff, working on the McCloud remedy. Scheme membership is 107,000 equating to 2,892 and increase of 176 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) |
|---------|---------|--|---------------------------|--|
| 2019/20 | 95,401 | 33 | 2,300 | £24.11 |
| 2020/21 | 97,530 | 33 | 2,155 | £22.10 |
| 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 |

*Includes two full time temporary staff working on the McCloud remedy.

The following table compares spend between 2022/23 and 2023/24 in the five administration areas.

| Year | Staffing | IT | Actuarial | Support Services | Other | Total |
|-------------------|-----------|---------|-----------|------------------|----------|-----------|
| 2022/23 | 1,520,000 | 475,000 | 183,000 | 627,000 | 114,000 | 2,919,000 |
| 2023/24 | 1,776,000 | 476,000 | 97,000 | 606,000 | 84,000 | 3,039,000 |
| Difference | 256,000 | 1,000 | (86,000) | (21,000) | (30,000) | 120,000 |

- Staffing- The increase in staff costs were due to the ongoing McCloud work, inflationary increases and pay progression for colleagues moving through the pay bands.
- IT – 2023/24 costs were almost the same as in 2022/23 and below budget by £44,000. In 2023/24 the Pension Section purchased and implemented an enhancement to the administration system to further automate the retirement to pension payroll process.
- Actuarial – Actuarial charges were budgeted at £150,000 for 2023/24. The actual spend on actuarial services in the year were £53,000 lower than budget. Every three years the Fund completes an actuarial valuation, the most recent one taking place on the 31 March 2022. The next actuarial valuation takes place on the 31 March 2025. There is an expected increase in actuarial charges in 2024/25 as the Fund prepares for the valuation, and throughout 2025/26 in readiness for employer rate changes from the 1 April 2026.
- Support Services – There was a decrease in support services charges in 2023/24 from process improvements.
- 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 £2,851,000 and actual spend was £3,039,000 causing an overspend of £188,000 in 2023/24. This was predominately due to higher than anticipated staff costs due to inflation.

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 2023/24 the Fund had two Stage 2 complaints via the formal Internal Resolution Disputes process. Both cases are currently with the Pensions Ombudsman.

The procedure is summarised below.

- If you are not satisfied with any decision given by either the Pension Section or your employer/ former employer, relating to your Local Government Pension Scheme (LGPS) benefits, you may appeal in writing under the Internal Disputes Resolution Procedure (IDRP). You must write within six months of receiving the decision.

Any points of difference should firstly be addressed with the Pensions Office on an informal basis. You can write to: The Leicestershire County Council Pension Section, County Hall, Glenfield, Leicester, LE3 8RB.

or, contact the Pensions Officer who has dealt with your case. Their name and contact details will be on your correspondence.

We will then try to resolve the matter for you. Should you still be unhappy and wish to take the matter further you can request an information sheet and form to complete. This will contain the name and address of the 'Specified Person' nominated by your employer or former employer who would formally investigate your complaint.

[A copy of the form is available here.](#)

- Following this, if you are still dissatisfied with their decision, a 'second stage' of complaint can be requested, which will be looked at by the Legal Services team at Leicestershire County Council in most cases.

Should you be dissatisfied with the outcome of this, further details of the next stages of complaint would be provided at the time, should this be necessary.

Further advice can be found at the following:

| | |
|----------------------------|--|
| Money Helper | Web: https://www.moneyhelper.org.uk |
| LGPS Regulation & Guidance | Web: https://www.lgpsregs.org/ |

Contact Details

Help desk arrangements and information are as follows:

| Contact Type | From | To | Contact |
|-----------------------------|---|-------|--------------|
| MSS Helpdesk Phones | 08:00 | 14:00 | 0116 3057886 |
| Pensions Benefits Queries : | Pensionsbenefits@leics.gov.uk | | |
| Email MSS Queries : | PensionsMSS@leics.gov.uk | | |
| General Pensions Queries: | Pensions@leics.gov.uk | | |
| Address: | Pensions Section Leicestershire County Council County Hall Glenfield Leicester LE3 8RB | | |

Actuarial Report on Funds

Leicestershire County Council Pension Fund (the Fund)

Actuarial Statement for 2023/24

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. 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, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England's target (2% pa). 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. The Funding Strategy Statement will also be reviewed at that time.



Tom

Hoare

FFA 21

May 2024

For and on behalf of Hymans Robertson LLP

External Audit Opinion

Independent auditor's report to the members of Leicestershire County Council on the pension fund financial statements of Leicestershire County Council Pension Fund

To follow

Additional Information

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 – 2023/24

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 2023/24. 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, Data Collection and Input in relation to McCloud, Pension Creation and Investment Payments made from the Pension Fund.

Three planned audits were deferred into 2024/25, purely due to delayed developments nationally. However, one was replaced with an audit of Life Certificates for Overseas Pensioners. Work was also undertaken on the biennial National Fraud Initiative (NFI) counter fraud data matching exercise. Reports for the latest exercise (2022/23) were released in January 2023, and investigations are currently ongoing. The next biennial exercise is due to be undertaken during 2024/25 with reports available around January 2025.

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, ie. June and November 2023 were expanded to include all pension records. The most recent exercise was undertaken in November 2023, which identified three cases where payments had continued for deceased pensioners, totalling over £15K. However, a widow has been identified for the largest overpayment of £12.6K and the Pension Service are seeking to offset the overpayment from her entitlement.

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 have 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 2023/24 audits were assigned to colleagues at West Midlands (Governance), and Staffordshire County Council (Investments). Overall opinions on work completed were 'Satisfactory' and 'Substantial' respectively. Leicestershire County Council are due to complete audit work during 2024/25, on behalf of the IAWG. One of the roles of the IAWG is to review the AAF/0106 Control Report (Type 2).

LGPS Central External Auditors experienced some difficulties in producing the latest report on a timely basis, i.e. The year ending December 2022 was not available for review until January 2024 and was 'Qualified.' Due to the time taken in producing the AAF/0106 Control Report, LGPS Central asked all partner fund internal auditors to discuss with their External Auditors and S151 Officers, the possibility of agreeing an alternative approach on a short-term basis.

The alternative approach was for a 'Type 1' report and an assurance stack. After obtaining the views of our External Auditor (Grant Thornton) it was confirmed that the proposed approach would generate a significant increase in work for the External Auditor, resulting in a cost to the Fund. Based on this, Leicestershire requested a Type 2 report, as did other Partners. However, the company's Audit Risk and Compliance Committee and Board were unable to meet this request and have made arrangements for a Type 1 AAF report to be completed and have agreed to support Partner Funds with access to any other forms of assurance that are being performed.

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](#).

| Area | 2023/2024 |
|----------------|-----------|
| Investments | 10 |
| Administration | 1 |

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 | | |
| 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 | 183 | 939 | 954 | 101.60% | 999 | 95.23% |
| A2 | New dependent member benefits | 0 | 296 | 296 | 100.00% | 379 | 100.00% |
| A3 | Deferred member retirements | 352 | 1,039 | 1,382 | 133.01% | 1,286 | 93.94% |
| A4 | Active member retirements | 382 | 1,815 | 1,660 | 91.46% | 1,691 | 98.14% |
| A5 | Deferred benefits | 1,302 | 24,38 | 1,948 | 79.60% | 2,324 | 78.49% |
| A6 | Transfers in (including interfunds in, club transfers) | 101 | 160 | 113 | 70.63% | 73 | 50.69% |
| A7 | Transfers out (including interfunds out, club transfers) | 206 | 466 | 359 | 77.04% | 405 | 86.17% |
| A8 | Refunds | 1075 | 3562 | 3428 | 96.24% | 3,170 | 84.22% |
| A9 | Divorce quotations issued | 9 | 181 | 160 | 88.40% | 169 | 98.26% |
| A10 | Actual divorce cases | 2 | 6 | 1 | 16.67% | 9 | 100% |
| A11 | Member estimates requested either by scheme member and employer | 164 | 1,280 | 1,277 | 99.76% | 1,081 | 97.21% |
| A12 | New joiner notifications | 0 | 9,552 | 9,552 | 100% | 10,145 | 100% |

| 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 | 917 | 2198 | 994 | 45.22% | 1538 | 71.53% |
| A14 | Optants out received after 3 months membership | 6 | 27 | 11 | 40.74% | 1 | 5.88% |

Table B - Time taken to process casework.

Fund Officers are unable to complete Table B of Annex A because the Leicestershire Fund workflow tasks are not set up to report on certain activity.

Fund Officer liaised directly with a Scheme Advisory Board Officer about this section. The SAB Officer appreciated the limitations and agreed the Fund's existing KPIs could be included in this section. It was accepted this may remain the case for future years ahead, until system workflow tasks are nationally agreed with standard reporting features.

| Full Year - 1 April 2023 to 31 March 2024 | | | | | | | |
|--|-----|-----|--------|--|-----|------|--------|
| Business Process Perspective | | | Target | Customer Perspective - Feedback | | | Target |
| Retirement Benefits notified to members within 10 working days of paperwork received | 92% | 88% | ▶ | Establish members understanding of info provided - rated at least mainly ok or clear | 95% | 98% | ▲ |
| Pension payments made within 10 working days of receiving election | 95% | 94% | ▶ | Experience of dealing with Section - rated at least good or excellent | 95% | 93% | ▶ |
| Death benefits/payments sent to dependant within 10 working days of notification | 90% | 83% | ▼ | Establish members thoughts on the amount of info provided - rated as about right | 92% | 93% | ▲ |
| | | | | Establish the way members are treated - rated as polite or extremely polite | 97% | 99% | ▲ |
| Below target | ▼ | | | Email response - understandable | 95% | 98% | ▲ |
| Close to target | ▶ | | | Email response - content detail | 92% | 100% | ▲ |
| Good or better than target | ▲ | | | Email response - timeliness | 92% | 95% | ▲ |

Table C - Communications and engagement

| Ref | Engagement with online portals | Percentage as at 31 March |
|------------|--|--|
| C1 | % of active members registered | 49.93% |
| C2 | % of deferred member registered | 34.95% |
| C3 | % of pensioner and survivor members | 49.61% |
| C4 | % total of all scheme members registered for self-service | 44.71% |
| C5 | Number of registered users by age. (Excludes pensioners and dependents – no data held this year for end of year data) | 0-39 = 6,351 40-49 = 7,314 50-59 = 12,198 60+ = 5,163 |
| C6 | % of all registered users that have logged onto the service in the last 12 months | 61.56% |
| | Communication | |
| C7 | Total number of telephone calls received in year | 13,065 |
| C8 | Total number of email and online channel queries received | 23,893 |
| C9 | Number of scheme member events held in year (total of in-person and online) | 8 |
| C10 | Number of employer engagement events held in year (in-person and online) | 28 |
| C11 | Number of active members who received a one-to-one (in-person and online) | 87 |
| C12 | Number of times a communication (i.e newsletter) issued to: | |
| | a) Active members | 1 |
| | b) Deferred members | 1 |
| | c) Pensioners | 2 |

Table D: Resources

| Ref | Resources | |
|------------|--|-------------|
| D1 | Total number of all administration staff (FTE) | 37.00 |
| D2 | Average service length of all administration staff | 13.64 years |
| D3 | Staff vacancy rate as % | 2.63% |
| D4 | Ratio of all administration staff to total number of scheme members (all staff including management) | 2,892:1 |
| D5 | Ratio of administration staff (excluding management) to total number of scheme members | 3,344:1 |

Table E - Data Quality

| | | |
|----|---|----------------|
| | Annual Benefit Statements | |
| E1 | Percentage of annual benefit statements issued as at 31 August | 100.00% |
| | Short commentary if less than 100% | Not applicable |
| | Data category | |
| E3 | Common data score | 98.00% |
| E4 | Scheme specific data score | 97.61% |
| 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 | 2.35% |
| E6 | Percentage of active, deferred and pensioner members with an email address held on file | 51.25% |
| | Employer performance | |
| E7 | Percentage of employers set up to make monthly data submissions | 96.30% |
| E8 | Percentage of employers who submitted monthly data on time during the reporting year | 71.00% |

Table Notes

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.

C5 – Figures exclude pensioners and dependants as figures not collated by age for this group this year at year end.

D2 – Based on members scheme start date in most recent employment with Leicestershire County Council

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 |
|--|--|
| Structure | |
| 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 |
| Representation | |
| 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 |
| Selection and Role of Lay Members | |
| That committee members are fully aware of their status, role and function they are required to perform. | Fully Compliant |
| Voting | |
| 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 |
| Training/Facility Time/Expenses | |
| That the policy applies equally to all members of committees. | Fully Compliant |

| | |
|---|---|
| Meetings (frequency/quorum) | |
| 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 |
| Access | |
| 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 2023/24 are recorded in the table below:

| 2023/24 | REPRESENTING | June - LPC | July - ISC | September - LPC | October - ISC | December - LPC | January - LPC | March - LPC | % |
|--|--------------------------------|---------------|---------------|--------------------|------------------|-------------------|------------------|----------------|------|
| VOTING MEMBERS (EMPLOYER REPRESENTATIVES) | | | | | | | | | |
| Mr. T. Barkley CC | Administering Authority | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | 86% |
| Mr. D. Bill CC | Administering Authority | X | X | X | ✓ | ✓ | ✓ | ✓ | 57% |
| Mr. D. Grimley CC | Administering Authority | ✓ | ✓ | X | ✓ | ✓ | ✓ | ✓ | 86% |
| Mr. P. King CC | Administering Authority | X | \ | ✓ | \ | ✓ | ✓ | ✓ | 80% |
| Mrs. A. Wright CC (till March 2024) | Administering Authority | ✓ | \ | X | \ | X | X | X | 20% |
| Cllr. A. Clarke (from August 2023) | Leicester City Council | \ | X | X | X | ✓ (v) | ✓ | ✓ (v) | 50% |
| Cllr. M. March (from November 2023) | Leicester City Council | \ | \ | \ | \ | ✓ | X | ✓ | 66% |
| Cllr. Sue Waddington (to May 2023) | Leicester City Council | \ | \ | \ | \ | \ | \ | \ | - |
| Mr. Z. Limbada | Universities Representative | ✓ | ✓ | ✓ | X | ✓ (v) | ✓ | X | 71% |
| Cllr. R. Denney (from June 2023) | District Representative | ✓ | \ | ✓ | X | ✓ | ✓ | ✓ | 83% |
| Cllr. M. Cartwright (from June 2023) | District Representative | \ | \ | ✓ | \ | ✓ | ✓ | ✓ | 100% |
| Cllr. M. Graham (till June 2023) | District Representative | ✓ | ✓ | \ | \ | \ | \ | \ | 100% |
| Cllr. N. Grundy (to May 2023) | District Representative | \ | \ | \ | \ | \ | \ | \ | - |

| | | | | | | | | | |
|--|-------------------------|------------------|---|---------------------|---|---------------------|---------------------|---------------------|------|
| NON-VOTING MEMBERS (EMPLOYEE REPRESENTATIVES) | | | | | | | | | |
| Mr. N. Booth (from 2023 AGM) | Employee Representative | ✓ | \ | ✓ | \ | ✓ | ✓ | ✓ | 100% |
| Mr. G. Lawrence (to August 2023) | Employee Representative | ✓ | X | \ | \ | \ | \ | \ | 50% |
| Mr. C. Pitt | Employee Representative | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ | 86% |
| Mr. V. Bechar (from 2023 AGM) | Employee Representative | \ | \ | \ | \ | \ | ✓ | X | 50% |
| VOTING MEMBERS (EMPLOYER REPRESENTATIVES) SUBSTITUTES | | | | | | | | | |
| Mrs. H. Fryer (from January 2023) – Substitute | Administering Authority | \ | \ | \ | \ | ✓ – for Mrs. Wright | \ | \ | 100% |
| Mr. D. Harrison (from January 2023) – Substitute | Administering Authority | ✓ – for Mr. King | \ | ✓ – for Mr. Grimley | \ | ✓ – for Mr. Barkley | \ | ✓ – for Mrs. Wright | 100% |
| Mr. C. Smith (from January 2023) - Substitute | Administering Authority | \ | \ | \ | \ | \ | ✓ – for Mrs. Wright | \ | 100% |

(v) = Members attended virtually online, but in line with regulations are not classed as being formally in attendance, and we 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 2023/24

| | | Joint Training: Roles and Responsibilities, Conflict of Interest, LAPFF, Administration, Risk Register, Manager Monitoring | LGPS Central & Stafford Capital Presentation | LGPS Central RI & Engagement 101 training | LCT / ESG from LGIM | SAA R | LGPS Central Stewardship Themes, ASP, Private Equity Funds Training |
|---|-------------------------------|--|--|---|---------------------|-------|---|
| Mr. T. Barkley CC | Leicestershire County Council | ✓ | ✓ | ✓ | X | ✓ | ✓ |
| Mr. D. Bill CC | Leicestershire County Council | X | X | X | ✓ | ✓ | ✓ |
| Mr. D. Grimley CC | Leicestershire County Council | X | ✓ | X | ✓ | ✓ | X |
| Mr. P. King CC | Leicestershire County Council | ✓ | X | ✓ | ✓ | ✓ | ✓ |
| Mrs. A. Wright CC (till March 2024) | Leicestershire County Council | ✓ | ✓ | X | X | X | X |
| Cllr. A. Clarke (from 15 August 2023) | Leicester City Council | \ | \ | X | ✓ - (v) | ✓ | ✓ |
| Cllr. M. March (from 22 November 2023) | Leicester City Council | \ | \ | \ | ✓ | X | X |
| Cllr. Sue Waddington (to May 2023) | Leicester City Council | \ | \ | \ | \ | \ | \ |
| Mr. Z. Limbada (to May 2024) | University Representative | ✓ | ✓ | ✓ | ✓ - (v) | \ | X |
| Cllr. R. Denney (from June 2023) | District Representative | ✓ | ✓ | ✓ | ✓ | ✓ | X |
| Cllr. M. Cartwright (from June 2023) | District Representative | \ | \ | ✓ | ✓ | ✓ | ✓ |
| Cllr. M. Graham (till June 2023) | District Representative | X | ✓ | \ | \ | \ | \ |
| Cllr. N. Grundy (to May 2023) | District Representative | \ | \ | \ | \ | \ | \ |

| | | | | | | | |
|---|--|---|------------------|---|---------------------|---|---|
| Mr. N. Booth (from 2023 AGM) | Employee Rep Elected 2023 AGM | ✓ | ✓ | ✓ | ✓ | ✓ | X |
| Mr. G. Lawrence (to 2 August 2023) | Employee Rep Elected 2021 AGM | X | ✓ | \ | \ | \ | \ |
| Mr. C. Pitt | Employee Rep Elected 2022 AGM | ✓ | ✓ | ✓ | ✓ | X | ✓ |
| Mr. V. Bechar (from 2023 AGM) | Employee Rep Elected 2023 AGM for 1 year | \ | \ | \ | \ | ✓ | X |
| Mrs. H. Fryer (from January 2023) - Substitute | Leicestershire County Council | X | \ | \ | ✓ - for Mrs. Wright | \ | ✓ |
| Mr. D. Harrison (from January 2023) - Substitute | Leicestershire County Council | ✓ | ✓ - for Mr. King | ✓ | ✓ - for Mr. Barkley | \ | \ |
| Mr. C. Smith (from January 2023) - Substitute | Leicestershire County Council | ✓ | \ | \ | \ | ✓ | \ |

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

Training Attendance for the Investment Sub-Committee 2023/24

| INVESTMENT SUB-COMMITTEE | | Hymans Listed Equity and Targeted Return | Aegon Asset Management, Index-Linked Bonds | LGPS Central |
|--|---------------------------|---|---|---------------------|
| Mr. T. Barkley CC | Administering Authority | ✓ | ✓ | ✓ |
| Mr. D. Bill CC | Administering Authority | X | ✓ | X |
| Mr. D. Grimley CC | Administering Authority | ✓ | ✓ | ✓ |
| Cllr. R. Denney (from June 2023) | District Representative | \ | X | ✓ |
| Cllr. M. Graham (till June 2023) | District Representative | ✓ | \ | \ |
| Cllr. A. Clarke (from 15 August 2023) | Leicester City Council | X | \ | X |
| Mr. Z. Limbada (to May 2024) | University Representative | ✓ | X | ✓ |
| Mr. G. Lawrence | Employee Representative | \ | \ | \ |
| Mr. N. Booth – on rotation | Employee Representative | \ | \ | ✓ |
| Mr. C. Pitt – on rotation | Employee Representative | ✓ | ✓ | \ |
| Mr. V. Bechar – on rotation | Employee Representative | \ | \ | \ |

Hymans Robertson Aspire Training – the Local Pension Committee Members 2022/23

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

| | 1 – An introduction to the LGPS | 2 – LGPS Governance and Oversight Bodies | 3 – Administration & Fund Management | 4 – Funding and Actuarial Matters | 5 – Investments | 6 – Current issues |
|----------------------------------|---------------------------------|--|--------------------------------------|-----------------------------------|-----------------|--------------------|
| Mr. T. Barkley CC | C | C | C | C | C | C |
| Mr. D. Grimley CC | C | C | C | C | C | C |
| Mr. D. Bill CC | S | S | S | S | S | S |
| Mr. P. King | C | P | S | S | S | S |
| Mrs. A. Wright (to March 2024) | S | S | S | S | S | S |
| Cllr. M. Graham (to June 2023) | C | C | C | C | C | P |
| Cllr. N. Grundy (to May 2023) | P | S | S | S | S | S |
| Cllr A. Clarke (to May 2023) | P | P | S | S | S | S |
| Cllr S. Waddington (to May 2023) | P | S | S | S | S | S |
| Mr. Z. Limbada (to May 2024) | S | S | S | S | S | S |
| Mr. N. Booth | C | S | S | C | C | C |
| Mr. G. Lawrence (to August 2023) | C | C | C | C | C | C |
| Mr. C. Pitt | C | C | C | C | C | C |

S – Subscribed P – In progress C – Completed \ - Not a member at the time or not required to undertake the training.

Hymans Robertson Aspire Training – the Local Pension Committee Members 2023/24

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 | Current Issues |
|--------------------------------------|---|-------------------------|-----------------------------|---|---|--|---|--|----------------|
| Mr. T. Barkley CC | C | C | C | C | C | C | C | C | C |
| Mr. D. Bill CC | S | S | S | S | S | S | S | S | S |
| Mr. D. Grimley CC | P | S | S | S | S | S | S | S | P |
| Mr. P. King CC | S | S | S | S | S | S | S | S | P |
| Mrs. A. Wright CC (to March 2024) | S | S | S | S | S | S | S | S | S |
| Cllr. A. Clarke (from August 2023) | S | S | S | S | S | S | S | S | S |
| Cllr. M. March (from November 2023) | S | S | S | S | S | S | S | S | P |
| Mr. V. Bechar (from 2023 AGM) | C | C | C | C | C | S | S | S | S |
| Cllr. R. Denney (from June 2023) | S | S | S | S | S | S | S | S | S |
| Cllr. M. Cartwright (from June 2023) | S | S | S | S | S | S | S | S | S |
| Mr. N. Booth (from 2023 AGM) | C | S | C | C | S | C | S | S | C |
| Mr. G. Lawrence (to August 2023) | \ | \ | \ | \ | \ | \ | \ | \ | \ |
| Mr. C. Pitt | S | S | S | S | S | S | S | S | S |
| Mr. Z. Limbada (to May 2024) | S | S | S | S | S | S | S | S | S |

S – Subscribed P – In progress C – Completed \ - Not a member at the time or not required to undertake the training.

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

| <u>Employer Name</u> | <u>Employer Type</u> | <u>EmployerSubType</u> | <u>ActivesFlag</u> | <u>AdmissionDate</u> | <u>AdmissionCeaseDate</u> |
|--|----------------------|------------------------|--------------------|----------------------|---------------------------|
| <u>Scheduled Bodies</u> | | | | | |
| 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 | | |
| ESPO | Scheduled Body | -- | TRUE | | |
| <u>Further Education Bodies</u> | | | | | |
| Loughborough University | Scheduled Body | -- | TRUE | | |
| SMB Group(Brook/Melton/Steph) | Scheduled Body | -- | TRUE | | |
| Loughborough College of FE | Scheduled Body | -- | TRUE | | |
| South Leics College | Scheduled Body | -- | TRUE | | |
| WQE and Regent College Group | Scheduled Body | -- | TRUE | | |
| Leicester College | Scheduled Body | -- | TRUE | | |
| Leics De Montfort University | Scheduled Body | -- | TRUE | | |
| <u>Academies</u> | | | | | |

| | | | | |
|--------------------------------|----------------|---------|-------|----------|
| Uppingham Community College | Scheduled Body | Academy | TRUE | |
| Better Futures MAT (Gateway) | Scheduled Body | Academy | TRUE | |
| Rutland&District Schools Fed | Scheduled Body | Academy | TRUE | |
| Tudor Grange Academies Trust | Scheduled Body | Academy | TRUE | |
| Casterton B&EC AT | Scheduled Body | Academy | TRUE | |
| Welland Park CC | Scheduled Body | Academy | TRUE | |
| Lutterworth High School | Scheduled Body | Academy | TRUE | |
| OAK Multi Academy Trust | Scheduled Body | Academy | TRUE | |
| Brooke Hill Academy | Scheduled Body | Academy | TRUE | |
| Avanti Schools Trust | Scheduled Body | Academy | TRUE | |
| The Mowbray Education Trust | Scheduled Body | Academy | TRUE | |
| Woodbrook Vale School | Scheduled Body | Academy | TRUE | |
| Stephenson Studio School | Scheduled Body | Academy | TRUE | |
| Ash Field Academy | Terminated | Academy | FALSE | 29/02/24 |
| Forest Way School | Scheduled Body | Academy | TRUE | |
| LIFE Academy Trust | Scheduled Body | Academy | TRUE | |
| Bradgate Education Partnership | Scheduled Body | Academy | TRUE | |
| Redmoor Academy | Scheduled Body | Academy | TRUE | |
| Market Bosworth High School | Scheduled Body | Academy | TRUE | |
| Symphony Learning Trust | Scheduled Body | Academy | TRUE | |
| Open Thinking Partnership | Scheduled Body | Academy | TRUE | |
| Gartree High School | Scheduled Body | Academy | TRUE | |
| Lutterworth Academies Trust | Scheduled Body | Academy | TRUE | |
| Learn Academies Trust | Scheduled Body | Academy | TRUE | |
| Discovery Schools Acad Trust | Scheduled Body | Academy | TRUE | |
| Long Field Academy | Scheduled Body | Academy | TRUE | |
| Futures Trust (Hinckley Acad) | Scheduled Body | Academy | TRUE | |
| St Thomas Aquinas CMAT | Scheduled Body | Academy | TRUE | |
| Brookvale Groby Learning Trust | Scheduled Body | Academy | TRUE | |
| The Success Academy Trust | Scheduled Body | Academy | TRUE | |
| Embrace AT | Scheduled Body | Academy | TRUE | |

| | | | | |
|--------------------------------|-------------------------|---------|-------|----------|
| Lady Jane Grey Primary Academy | Scheduled Body | Academy | TRUE | |
| Castle Donington College(EMET) | Scheduled Body | Academy | TRUE | |
| Queniborough CofE Primary Sch | Terminated | Academy | FALSE | 30/09/23 |
| Birkett House School | Scheduled Body | Academy | TRUE | |
| Church Hill CofE Junior School | Scheduled Body | Academy | TRUE | |
| Wigston Academies Trust | Scheduled Body | Academy | TRUE | |
| Queensmead Primary Academy | Scheduled Body | Academy | TRUE | |
| Rendell Primary School | Scheduled Body | Academy | TRUE | |
| Barwell CofE Academy | Scheduled Body | Academy | TRUE | |
| Bottesford CofE Primary School | Terminated | Academy | FALSE | 30/09/23 |
| Thrussington CofE Primary Sch | Terminated | Academy | FALSE | 30/09/23 |
| Holywell Primary School | Scheduled Body | Academy | TRUE | |
| Mountfields Lodge School | Termination in progress | Academy | FALSE | 31/03/24 |
| Beacon Academy | Scheduled Body | Academy | TRUE | |
| Measham CofE Primary School | Termination in progress | Academy | FALSE | 31/03/24 |
| St.Peters CofE Primary Academy | Scheduled Body | Academy | TRUE | |
| Outwoods Edge Primary School | Scheduled Body | Academy | TRUE | |
| LEAD Academy Trust | Scheduled Body | Academy | TRUE | |
| Stonebow Primary School | Scheduled Body | Academy | TRUE | |
| Cobden Primary School | Terminated | Academy | FALSE | 31/03/24 |
| RiseA CofE MAT | Scheduled Body | Academy | TRUE | |
| Asfordby Hill Primary School | Scheduled Body | Academy | TRUE | |
| South Charnwood High School | Scheduled Body | Academy | TRUE | |
| Lionheart Academies Trust | Scheduled Body | Academy | TRUE | |
| The Pastures Primary School | Scheduled Body | Academy | TRUE | |
| Batling Brook Primary School | Scheduled Body | Academy | TRUE | |
| Frisby CE Primary School | Termination in progress | Academy | FALSE | 31/03/24 |
| Scholars Academy Trust | Scheduled Body | Academy | TRUE | |
| Thringstone Primary School | Scheduled Body | Academy | TRUE | |
| Odyssey Educational Trust | Scheduled Body | Academy | TRUE | |
| The OWLS AT | Scheduled Body | Academy | TRUE | |

| | | | | |
|--------------------------------|----------------|------------------|-------|----------|
| Inspiring Primaries AT | Scheduled Body | Academy | TRUE | |
| Rothley CofE Primary School | Scheduled Body | Academy | TRUE | |
| Hastings High School | Scheduled Body | Academy | TRUE | |
| Old Dalby CofE Primary School | Scheduled Body | Academy | TRUE | |
| Stanton under Bardon Primary | Scheduled Body | Academy | TRUE | |
| Hall Orchard Primary School | Scheduled Body | Academy | TRUE | |
| Kirby Muxloe Primary School | Scheduled Body | Academy | TRUE | |
| Robert Bakewell Primary School | Scheduled Body | Academy | TRUE | |
| Falcon Primary School | Scheduled Body | Academy | TRUE | |
| David Ross Education Trust | Scheduled Body | Academy | TRUE | |
| Midland Academies Trust | Terminated | Academy | FALSE | 30/11/23 |
| Ryhall CE Academy | Scheduled Body | Academy | TRUE | |
| The Rutland Learning Trust | Scheduled Body | Academy | TRUE | |
| Townlands CofE Primary Academy | Scheduled Body | Academy | TRUE | |
| The Mead Educational Trust | Scheduled Body | Academy | TRUE | |
| Learning Without Limits AT | Scheduled Body | Academy | TRUE | |
| The Priory AT Belvoir Academy | Scheduled Body | Academy | TRUE | |
| Nova Ed Trust (Melton Vale) | Scheduled Body | Academy | TRUE | |
| The Vines Academy Trust | Terminated | Academy | FALSE | 31/01/24 |
| Attenborough Learning Trust | Scheduled Body | Academy | TRUE | |
| Aspire Learning Partnership | Scheduled Body | Academy – MAT HQ | TRUE | 01/06/23 |
| United Learning Trust | Scheduled Body | Academy | TRUE | 01/12/23 |

Resolution Bodies

| | | | | |
|---------------------------|-----------------|----|------|--|
| Mountsorrell PC | Resolution Body | -- | TRUE | |
| Shepshed TC | Resolution Body | -- | TRUE | |
| Ashby Town Council | Resolution Body | -- | TRUE | |
| Lutterworth TC | Resolution Body | -- | TRUE | |
| Glen Parva PC | Resolution Body | -- | TRUE | |
| Braunstone Town Council | Resolution Body | -- | TRUE | |
| Thurmaston Parish Council | Resolution Body | -- | TRUE | |

| | | | | |
|------------------------------|--------------------------|----|-------|----------|
| Countesthorpe PC | Resolution Body | -- | TRUE | |
| Broughton Astley PC | Resolution Body | -- | TRUE | |
| Anstey Parish Council | Resolution Body | -- | TRUE | |
| Sileby Parish Council | Resolution Body | -- | TRUE | |
| Syston Town Council | Resolution Body | -- | TRUE | |
| Kirby Muxloe PC | Resolution Body | -- | TRUE | |
| Leics Forest East PC | Resolution Body | -- | TRUE | |
| Whetstone PC | Resolution Body | -- | TRUE | |
| Oakham Town Council | Resolution Body | -- | TRUE | |
| Ashby Woulds Town Council | Resolution Body | -- | TRUE | |
| Market Bosworth PC | Resolution Body | -- | TRUE | |
| Barwell Parish Council | Resolution Body | -- | TRUE | |
| Blaby Parish Council | Resolution Body | -- | TRUE | |
| Bagworth & Thornton PC | Resolution Body | -- | TRUE | |
| Thurcaston & Cropston PC | Resolution Body | -- | TRUE | |
| Groby Parish Council | Resolution Body | -- | TRUE | |
| Enderby Parish Council | Resolution Body | -- | TRUE | |
| East Goscote Parish Council | Resolution Body | -- | TRUE | |
| Bottesford Parish Council | Resolution Body | -- | TRUE | |
| Scraptoft Parish Council | Resolution Body | -- | TRUE | |
| Croft Parish Council | Resolution Body | -- | TRUE | |
| <u>CABs</u> | | | | |
| Voluntary Action Leicester | Terminated | -- | FALSE | 30/9/23 |
| Bradgate Park Trust | Community Admission Body | -- | TRUE | |
| Platform Housing | Terminated | -- | FALSE | 30/11/23 |
| EMH Homes | Community Admission Body | -- | TRUE | |
| <u>TABs</u> | | | | |
| Rushcliffe Care Ltd | Contractor (TAB) | -- | TRUE | |
| SLM (Blaby DC 2006 contract) | Contractor (TAB) | -- | TRUE | |

| | | | | |
|-------------------------------------|-------------------------|----|-------|----------|
| G4S (City Council) | Contractor (TAB) | -- | TRUE | |
| Melton Learning Hub | Contractor (TAB) | -- | TRUE | |
| East Midland Shared Services | Contractor (TAB) | -- | TRUE | |
| Aspens (City Crown Hills) | Terminated | -- | FALSE | 31/12/23 |
| Capita IT City of Leicester | Contractor (TAB) | -- | TRUE | |
| Idverde Ltd (formerly Quadron) | Contractor (TAB) | -- | TRUE | |
| Chartwells (Leics CC Ravenhurst) | Contractor (TAB) | -- | TRUE | |
| Solo Service Group (Leics CC) | Contractor (TAB) | -- | TRUE | |
| CSE (Samworth Tudor Grange) | Contractor (TAB) | -- | FALSE | |
| SLM (O&W BC) | Contractor (TAB) | -- | TRUE | |
| SLM (North West DC) | Contractor (TAB) | -- | TRUE | |
| SLM (Blaby DC 2019 contract) | Contractor (TAB) | -- | TRUE | |
| Kindred (formerly Ridge Crest) | Terminated | -- | FALSE | 31/07/23 |
| Bellrock Management Ltd | Terminated | -- | FALSE | 31/07/23 |
| Solo Service Group (Mowbray ET) | Terminated | -- | FALSE | 31/07/23 |
| Govindas Limited | Contractor (TAB) | -- | TRUE | |
| Aspens (Nova ET) | Contractor (TAB) | -- | TRUE | |
| Coombs Catering Ltd (Ashby Hilltop) | Contractor (TAB) | -- | TRUE | |
| Caterlink (Tudor Grange AT) | Contractor (TAB) | -- | TRUE | |
| OCS Food (Soar & Moat) | Contractor (TAB) | -- | TRUE | |
| Mitie Care (Chief Constable) | Contractor (TAB) | -- | TRUE | |
| Compass Services (City, Shaf) | Contractor (TAB) | -- | TRUE | |
| Caterlink (DRET) | Contractor (TAB) | -- | TRUE | |
| OCS Food (City of Leicester) | Contractor (TAB) | -- | TRUE | |
| Hutchison Catering (AET Beacon) | Contractor (TAB) | -- | TRUE | |
| Compass Services (City, Marr) | Contractor (TAB) | -- | TRUE | |
| Compass Services (City, Gleb) | Termination in progress | -- | FALSE | 10/02/24 |
| Taylor Shaw Limited (MET) | Contractor (TAB) | -- | TRUE | |
| Caterlink (Odyssey - Humb Prim) | Contractor (TAB) | -- | TRUE | |
| MCS Cleaning (South Charnwood 2021) | Contractor (TAB) | -- | TRUE | |
| Turning Point (County 2022) | Contractor (TAB) | -- | TRUE | |

| | | | | |
|--------------------------------|-------------------------|----|-------|----------|
| Turning Point (City 2022) | Contractor (TAB) | -- | TRUE | |
| Cucina (Lutterworth AT) | Contractor (TAB) | -- | TRUE | |
| Total Swim (Life MAT) | Contractor (TAB) | -- | TRUE | |
| Freshstart (LWLAT) | Contractor (TAB) | -- | TRUE | |
| Caterlink (City, Granby) | Contractor (TAB) | -- | TRUE | |
| Caterlink (City, St Barnabas) | Contractor (TAB) | -- | TRUE | |
| Coombs Catering (Hastings Sch) | Contractor (TAB) | -- | TRUE | |
| Capita (ex Charnwood 2020) | Contractor (TAB) | -- | TRUE | |
| Ingeus (LCC) | Contractor (TAB) | -- | TRUE | |
| Aramark (NWSLC (LCC)) | Contractor (TAB) | -- | TRUE | |
| Churchill Contract(BeaconAcad) | Contractor (TAB) | -- | TRUE | |
| Caterlink (Bradgate EP IH) | Contractor (TAB) | -- | TRUE | |
| Caterlink (Bradgate EP (LCC)) | Contractor (TAB) | -- | TRUE | |
| Compass (MEAD ET) Primary | Contractor (TAB) | -- | TRUE | |
| Compass (MEAD ET) Secondary | Contractor (TAB) | -- | TRUE | |
| Compass (Rich Hill (Vines AT)) | Contractor (TAB) | -- | TRUE | |
| Dolce (LCC Belvoirdale Sch) | Contractor (TAB) | -- | TRUE | 13/07/23 |
| Caterlink (City, Mellor) | Contractor (TAB) | -- | TRUE | |
| CleanTEC (Bradgate EP-Wreake) | Contractor (TAB) | -- | TRUE | 01/08/23 |
| Coombs (LCC, Hemington) | Contractor (TAB) | -- | TRUE | 01/04/23 |
| Coombs (LCC, St Edward's) | Contractor (TAB) | -- | TRUE | 01/04/23 |
| Dolce (LCC, Sir John Moore) | Contractor (TAB) | -- | TRUE | 13/10/23 |
| Coombs (Lionheart ET) | Contractor (TAB) | -- | TRUE | 01/10/23 |
| Compass (LCC, Glebelands) | Termination in progress | -- | FALSE | 27/02/24 |
| CSE (TGAT, Samworth Acad) 2023 | Contractor (TAB) | -- | TRUE | |
| Coombs (VofB - LCC Schools) | Contractor (TAB) | -- | TRUE | 01/10/23 |
| Caterlink (Cobden Primary) | Contractor (TAB) | -- | TRUE | 01/08/23 |
| Relish (Symphony LT) | Contractor (TAB) | -- | TRUE | 14/10/23 |
| Coombs (VofB - Old Dalby) | Contractor (TAB) | -- | TRUE | 01/10/23 |
| Voluntary Action Leic (2023) | Contractor (TAB) | -- | TRUE | |
| Aspens (City, Herrick) | Contractor (TAB) | -- | TRUE | |

| | | | | |
|--------------------------|------------------|----|------|----------|
| CleanTEC (Lionheart ET) | Contractor (TAB) | -- | TRUE | 01/09/23 |
| BAM FM (Tudor Grange AT) | Contractor (TAB) | -- | TRUE | 01/08/23 |