



LOCAL PENSION COMMITTEE – 14 MARCH 2025
REPORT OF THE DIRECTOR OF CORPORATE RESOURCES
PENSION FUND POLICY REPORT

Purpose of the Report

1. The purpose of this report is to present to the Local Pension Committee the annual update of the Pension Fund's current strategies and policies, covering any new policies that have been introduced or amendments that have been made.

Background

2. The Local Pension Committee is responsible for the governance of the Leicestershire Fund, which includes setting policies to be included in statutory documents.
3. This is an annual report to provide the Committee with a summary of current policies or strategies. The content of this report was presented to the Local Pension Board on 5 February 2025.
4. This year's exercise has been done in conjunction with the review of The Pension Regulator's (TPR) Code of Practice. Going forward the reviews of policy and the Code will align, ensuring that the Fund continues to comply with its requirements.
5. In addition, any breaches of law that occurred during the previous tax year that may be considered material will be detailed in this report.

Summary of Current Policies

6. All current policies covering both administration and investments, are listed below. Updated policy documents are attached to this report, other policies can be found on the Pension Fund website:
<https://leicsmss.pensiondetails.co.uk/home/scheme-member/lgps/fund-admin-and-guidance/pension-fund-and-finance>

Policy	Existing Policy (Yes/No)	Changes Made (Yes/No)	Changes	Date Last Reviewed	Date Next Review Scheduled
Investment Strategy Statement (Appendix A)	Yes	Yes	Detailed in this report	March 2025	March 2026
Investment Advisor Objectives (Appendix B)	Yes	Yes	Detailed in this report	November 2024	November 2026
Net Zero Climate Strategy (NZCS)	Yes	No	-	March 2023	March 2026
Cash Management Strategy (Appendix C)	Yes	Yes	Amended to allow UK treasury bills to be sold ahead of maturity in line with LCC policy	January 2025	January 2026
Funding Strategy Statement	Yes	No	-	February 2023	Summer 2025 (as part of Valuation exercise)
Administration and Communication Strategy (Appendix D)	Yes	Yes	Detailed in this report	February 2025	January 2027
Fund Training Policy	Yes	Yes	Detailed in this report	June 2024	May 2026
Pension Fund Budget and Business Plan	Yes	Yes	Detailed in a separate report	February 2025	January 2026
Conflict of Interest Policy (Appendix E)	Yes	Yes	Detailed in this report	February 2025	January 2028
Fund Employer Risk Policy	Yes	No	-	January 2024	January 2026
Administering Authority (Fund) Discretions Policy	Yes	No	-	January 2024	January 2026

Administering Authority Distribution of Death Grant Policy	Yes	No	-	November 2023	January 2026
Administering Authority Overpayment of Pensions Policy	Yes	No	-	February 2024	January 2026
Cyber Policy (Appendix F)	Yes	Yes	Detailed in this report	February 2025	January 2027
Complaints Process (Appendix G)	Yes	Yes	Detailed in this report	February 2025	January 2028
Monitoring Contributions Process (Appendix H)	Yes	Yes	Detailed in this report	February 2025	January 2028
Reporting Breaches of Law Process (Appendix I)	Yes	Yes	Detailed in this report	February 2025	January 2028
Data Improvement Plan (Appendix J)	Yes	Yes	Detailed in this report	February 2025	January 2026
Internal Controls (Appendix K)	No	-	Detailed in this report		January 2026
Transfer Payment Process (Appendix L)	No	-	Detailed in this report		January 2026

Investment Strategy Statement

7. The Investment Strategy Statement (ISS) was updated to include changes to strategic asset allocation and approved by the LPC in March 2024. Changes to the strategic asset allocation were approved by the LPC at its meeting on the 31 January 2025 as well as changes to the rebalancing policy.

Investment Advisor Objectives

8. The Investment Advisor Objectives were updated to include reference to the Fund's Net Zero Climate Strategy. The objectives also now include consideration of the direction of pooling in light of the Mansion House proposals. These changes were approved by the LPC at its meeting on 29

November 2024.

Overpayment of Pension Policy

9. The Overpayment of Pension policy was reviewed and officers were satisfied that no changes were required.

Cash Management Strategy

10. This strategy has been amended to allow UK treasury bills to be sold ahead of maturity in line with County Council policy.

Fund Training Policy

11. The Fund training policy was reviewed and refreshed in June 2024, following a report that was presented to the Board at their meeting on 17 April 2024. The changes were approved by the LPC at its meeting on 19 June 2024 and progress against the Fund's Training Policy was presented to the LPC on 31 January 2025.

Code of Practice

12. The following policies were reviewed and refreshed as part of the work undertaken to ensure the Fund is fully compliant with TPRs Code of Practice (the Code).

Administration and Communication Strategy

13. A new section in respect of Data Monitoring and Improvement has been added. This provides an overview of the process in respect of these areas and links to the Code and the annual Data Improvement Plan.
14. Minor additional changes have also been made to Section 5: Service Level Agreements and these have been highlighted in yellow.
15. As the changes to the policy did not include any additional actions for Employers, they were not consulted on this occasion.

Conflict of Interest Policy

16. This has been reviewed and refreshed to ensure compliance with the Code. This includes the requirement to publish member's declarations of interests. Members are contacted annually to update their declarations of interest and are expected to provide updates to their register as and when required. The declarations are published on the County Council's website:

<https://democracy.leics.gov.uk/ecCatDisplay.aspx?sch=doc&cat=14116>

17. Appendix 5 of the policy has been amended to include the Fund's Net Zero Climate Strategy (independent of the Council's own net zero targets and strategy).

Cyber Policy

18. The cyber policy has been amended to ensure compliance with the Code. Following advice from Leicestershire County Council's Technical Security Officer some of the content has been moved from the public facing policy document into an internal document. This version has been shared with Internal Audit and following feedback a minor change was made.
19. There are two additions (highlighted in yellow) in sections 6 and 7, both added to strengthen compliance with the Code.

Complaints Process

20. A refreshed document detailing how officers deal with complaints received from scheme members. This version covers the process from initial contact up to and including contacting the Ombudsman if the internal process does not resolve the complaint to the scheme member's satisfaction. This document has been shared with Internal Audit who were satisfied that no amendments were required.

Monitoring Contributions

21. This details the process for monitoring the monthly payment of pension contributions from Fund employers.
22. The process also includes the steps taken if payments are received late. This also links into the Breaches of Law policy.
23. This document has been shared with Internal Audit and following feedback some minor changes were made.

Reporting Breaches of Law

24. A refreshed process document detailing how Breaches of Law are dealt with has been drafted. This document was shared with Internal Audit and presented to the Pension Board at its meeting held on 16 October 2024.

Data Improvement Plan

25. A separate report detailing the plans for Data Improvement was presented to the Pension Board, which has been reformatted and added to the appendices. This document was shared with Internal Audit who were satisfied that no changes were required.

Internal Controls Document

26. An internal document to strengthen compliance with the Code has been drafted. The document details the checks used by officers when administering the scheme. This has been shared with Internal Audit who were satisfied that no changes were required.

Overview of Transfer Payments

27. An internal document to strengthen compliance with the Code has been drafted. The document details the processes in place to ensure due diligence is carried out prior to the payment of the transfer of member benefits to other schemes. The document includes a 'Clean List' of schemes that can be transferred to where there is a very low risk of a scam, which will be reviewed annually. This has been shared with Audit who suggested some minor amendments and the document was updated accordingly.

Breaches during 2024/25

28. There were no breaches of law during 2024/25 that were considered material.

Recommendation

29. It is recommended that the Local Pension Committee approve the revised policies.

Equality Implications

30. There are no equality implications arising from this report.

Human Rights Implications

31. There are no human rights implications arising from this report.

Appendices

Appendix A: Investment Strategy Statement

Appendix B: Investment Adviser Objectives

Appendix C: Cash Management Strategy

Appendix D: Administration and Communication Strategy

Appendix E: Conflict of Interest Policy

Appendix F: Cyber Policy

Appendix G: Complaints Process

Appendix H: Monitoring Contributions Process

Appendix I: Reporting Breaches of Law Process

Appendix J: Data Improvement Plan

Appendix K: Internal Controls Document

Appendix L: Payment of Transfers Out

Officers to Contact

Ian Howe
Pensions Manager
Telephone: (0116) 305 6945
Email: ian.Howe@leics.gov.uk

Stuart Wells
Pensions Projects Manager
Telephone: (0116) 305 6944
Email: stuart.wells@leics.gov.uk

Simone Hines
Assistant Director, Finance Strategic Property and Commissioning
Telephone: (0116) 305 7066
Email: simone.hines@leics.gov.uk

This page is intentionally left blank