



LOCAL PENSION BOARD - 4 FEBRUARY 2026

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND POLICY REPORT

Purpose of the Report

1. The purpose of this report is to present for the Board's consideration 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 responsibility of the Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013, is to assist the Administering Authority as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS). Part of its role is to review the Fund's Governance and Policy documents, as set out below.
3. This is an annual report to provide the Board with a summary of current policies or strategies. Any new or amended policies will be brought to the Board and then presented to the Pensions Committee for approval at a subsequent meeting, as the body responsible for the governance of the Fund.

Summary of Current Policies

4. 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](#).

Policy	Existing Policy (Yes/No)	Changes Made (Yes/No)	Changes	Date Last Reviewed	Date Next Review Scheduled
Investment Strategy Statement	Yes	Yes	Detailed in a separate report.	February 2026	February 2027
Investment Adviser Objectives	Yes	Yes	Detailed in this report	November 2025	November 2026
Net Zero Climate Strategy (NZCS)	Yes	No	Detailed in a separate report.	March 2023	June 2026
Cash Management Strategy	Yes	Yes	Now incorporated in the Investment Strategy Statement	February 2026	February 2027
Funding Strategy Statement	Yes	Yes	Detailed in a separate report	February 2026	Summer 2028 (as part of Valuation exercise)
Administration Strategy (formerly Administration and Communication Strategy)	Yes	Yes	Minor changes only.	February 2026	February 2028
Fund Training Strategy (formerly Policy)	Yes	Yes	Detailed in this report	February 2026	February 2029
Pension Fund Budget and Business Plan	Yes	Yes	Detailed in a separate report	February 2026	February 2027
Conflict of Interest Policy	Yes	Yes	Detailed in this report	February 2026	February 2029
Fund Employer Risk Policy	Yes	Yes	Detailed in this report	February 2026	Summer 2028 (as part of Valuation exercise)
Administering Authority (Fund) Discretions Policy	Yes	No	Reviewed. No changes required	February 2026	January 2028

Administering Authority Distribution of Death Grant Policy	Yes	No	Reviewed. No changes, but see comments in report	January 2026	January 2027
Administering Authority Overpayment of Pensions Policy	Yes	No	Reviewed. No changes required.	February 2026	February 2028
Cyber Policy	Yes	No	-	February 2025	February 2027
Complaints Process	Yes	No	-	February 2025	February 2028
Monitoring Contributions Process	Yes	No	No changes, but see comments in report	February 2025	February 2028
Reporting Breaches of Law Process	Yes	No	-	February 2025	February 2028
Data Improvement Plan	Yes	Yes	Detailed in a separate report	February 2026	February 2027
Internal Controls	Yes	No	Reviewed. No changes required	February 2026	February 2027
Transfer Payment Process	Yes	No	Reviewed. No changes required	February 2026	February 2027

Investment Advisor Objectives

5. The Investment Advisor Objectives were updated to recognise clear expectations of relationship and service standards and focus on the work to be undertaken over the next year relating to 'Fit for the future'. It is recognised there will be some cross over with Government's proposal arising from Fit for the Future that pools are to provide primary advice funds. It is intended that the Fund will ensure clear expectations are set when advice is required with the existing arrangements with Hymans. These changes were approved by the Local Pension Committee at their meeting on 5 December 2025.

Cash Management Strategy

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

Funding Strategy Statement

7. The consultation on proposed changes to the Funding Strategy Statement ended on 11 January 2026. A separate report detailing the proposed changes has been presented to the Board at this meeting.

Administration Strategy

8. Minor changes only have been made to the Administration Strategy (formerly known as the Joint Administration and Communication Strategy, changed to comply with Fit for the Future requirements) to tidy up the wording, but nothing fundamental has changed.

Fund Training Strategy

9. The Fund Training Strategy (formerly policy) was last reviewed and refreshed by the Local Pension Committee at their meeting on 19 June 2024. The draft reflects current understanding of the regulations as currently drafted ahead of the Pension Schemes Bill receiving royal assent. Key amendments relate to:
 - i. Introduced a defined approach for managing substitute members as part of the policy, to ensure they have completed induction training and are aware of appropriate policies and documents to appropriately act as substitute for meetings.
 - ii. Updated to reflect that knowledge and skill requirements for Local Pension Committee members will be embedded in forthcoming legislation (as already exists for Pension Board members in the Pensions Act 2013).
10. These requirements are also now considered an individual responsibility, rather than a collective responsibility as previously included.
11. It is intended that officers will consider any published guidance from Government and the Scheme Advisory Board as needed ahead of consideration by the Local Pension Committee in March.

Conflict of Interest Policy

12. This has been reviewed and refreshed to ensure it is in alignment with regulations as currently drafted ahead of the Pension Schemes Bill receiving royal assent and other 'fit for the future' considerations. A section on LGPS

Central has been added, as well as references to potential conflicts that will need to be managed in regard to local investment.

Fund Employer Risk Policy

13. The employer risk policy has been updated to state that the Fund may use a third-party covenant expert when assessing employer risk. Other minor changes have been made to bring the document up to date. Note that this needs to be read in conjunction with the FSS.
14. The Fund is aware of Government's Access and Protection consultation (December 2025) on New Fair Deal that may bring changes to the way employers are brought into the scheme following outsourcing exercises. This area will be reviewed to account for any changes, should they be required.

Administering Authority Distribution of Death Grant Policy

15. This policy has been reviewed and no changes were required. However, following the Government's announcement that unused pension funds and death benefits will be included within the value of a person's estate for inheritance tax purposes with effect from 6 April 2027, this policy will be reviewed again once there is a clearer understanding of the process.

Monitoring Contributions

16. This internal process has been reviewed and no changes were required. Note that regular meetings have been introduced between Pensions and Investments to assist with the administration if any late payments occur.

Fit for the Future

17. The draft Local Government Pension Scheme (Amendment) Regulations 2026 are currently progressing through the parliamentary process prior to receiving royal assent. They include additional requirements for the Fund, such as development of a Governance Strategy. These requirements will be linked with statutory guidance which is currently draft. Officers will await final guidance and ensure policies are drafted and update the Local Pension Board and Committee appropriately.

Recommendation

18. The Board is asked to comment on the revised policies and strategies ahead of the Local Pension Committee meeting on 20 March 2026, where approval will be sought.

Equality and Human Rights Implications

None specific

Appendices

Appendix A: Investment Adviser Objectives

Appendix B: Administration Strategy

Appendix C: Fund Training Strategy

Appendix D: Conflict of Interest Policy

Appendix E: Fund Employer Risk Policy

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