



**LOCAL PENSION COMMITTEE – 3 JULY 2026**  
**REPORT OF THE DIRECTOR OF CORPORATE RESOURCES AND**  
**THE DIRECTOR OF LAW AND GOVERNANCE**  
**TERMS OF REFERENCE UPDATE**

**Purpose of the Report**

1. The report seeks approval of the revised Terms of Reference for the Local Pension Committee (Appendix A).

**Policy Framework and Previous Decisions**

2. The Local Pension Committee (LPC) Terms of Reference were last approved in June 2025.

**Background**

3. Leicestershire County Council is the administering authority for the Local Government Pension Scheme (LGPS) within Leicestershire and Rutland. Leicestershire County Council has a statutory obligation, as defined under the Public Service Pensions Act 2013, to administer a Pension Fund for eligible employees of all local authorities within the County boundary and also the employees of certain other scheduled and admitted bodies.
4. In accordance with Section 101 of the Local Government Act 1972 the County Council has delegated the responsibility for decisions relating to investment of the Fund's assets to the LPC.

**Terms of Reference Review**

5. The Terms of Reference for the Committee were last reviewed in June 2025, to reflect the understanding at the time in relation to 'Fit for the Future' around appointing an independent person and ensure appropriate flexibility to be able to engage with LGPS Central in relation to the Fund's Shareholder Representatives.

6. Following draft guidance, a further review has been undertaken to support efficient and effective governance, key updates are set out below:
- Update on the roles and responsibilities of the Committee to reflect Fit for the Future developments.
  - That any substitution should wherever possible be notified to the Administering Authority by 5pm the day before the meeting. Only where substitutes have previously undertaken induction training.
  - Appointment of Chair and Vice-Chair – Clarification on the process of appointment.
  - Revised wording on LGPS Central Governance bodies reflecting the new Oversight Board for client matters and reference to the Shareholders Engagement Forum.
  - Amendments to the shareholder representative for the Fund, this is set out in more detail in the following section.
  - Updated role of the Investment Sub-Committee.
  - Clarification on membership for the Investment Sub-Committee.
  - Clarification on the role of the Local Pension Board and its relationship with the Local Pension Committee.
7. Other amendments have been made as a matter of consistency with the County Council's Constitution.
8. It is recognised that the Officers will need to further review the TOR following expected guidance from Government.

### **LGPS Central Shareholder Representative**

9. The role of the Shareholder Representative is to ensure that appropriate resources are in place and that the structure and operation of the investment pool function effectively. This is distinct from the Fund's role as a client, which focuses on securing value for money and the effective delivery of services. The Shareholder Representative will attend Shareholder Engagement Forums, as well as Company meetings.
10. As outlined above, the Terms of Reference propose a change to the delegation of the Shareholder Representative role. Previously, this role was undertaken by the Chairman of the Local Pension Committee and as part of the most recent review of the Terms of Reference it was agreed that the Chairman, in consultation with the S151 Officer could determine the most appropriate individual to act as the Fund's Shareholder Representative. This could include a senior officer, the Chairman, or the Vice Chairman.

11. In light of recent advice received that the representative must be an officer, rather than an elected member, along with the development of the new Shareholders' Agreement and the continued evolution of LGPS Central under the Fit for the Future programme, the Council's Monitoring Officer, S151, Assistant Director Finance, Strategic Property and Commissioning and Chairman reconsidered the current approach. As a result, it is proposed that the Committee formally delegate the role of Shareholder Representative to the S151 Officer, with the Assistant Director Finance, Strategic Property and Commissioning as Deputy Shareholder Representative in their absence.
12. It is further proposed that the S151 may authorise other officers to carry out the delegated responsibilities set out in the Terms of Reference where both the appointed Representative and Deputy are unavailable.
13. These changes will ensure alignment with the legal advice received, reflects changing governance requirements, and supports the effective exercise of shareholder rights at short notice.
14. The Committee will continue to receive regular updates on matters relating to the shareholder role, including LGPS Central's Strategic Business Plan and Budget and other decisions.

### **Recommendations**

15. It is recommended that:
  - a. The revised Terms of Reference be agreed.
  - b. That Declan Keegan, Director of Corporate Resources and Deputy Chief Executive & s.151 officer, be appointed as the Fund's Shareholder Representative for LGPS Central Ltd.
  - c. That Simone Hines, Assistant Director Finance, Strategic Property and Commissioning be appointed as the Fund's Deputy Shareholder Representative for LGPS Central Ltd, to act where the Shareholder Representative is unavailable.
  - d. That the Shareholder Representative may authorise other officers to substitute for them and perform their designated duties, as set out in this paragraph, on their behalf, in their absence and in the absence of the appointed Deputy Shareholder Representative.
  - e. That the Shareholder Representative (and Deputy, or substitute when acting) is authorised to exercise the Administering Authority's

shareholder/company decision-making in relation to LGPS Central Ltd, including (where required) voting at general meetings, signing shareholder resolutions and completing proxy forms, within the scope of the Council's constitution and any relevant scheme of delegation.

- f. That the Shareholder Representative will report back to the Local Pension Committee as appropriate on shareholder/company matters, including decisions taken.

### **Background papers**

June 2025 Local Pension Committee – Terms of Reference

31 January 2025 Local Pension Committee: Fit for the Future Consultation response  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?MId=7986>

### **Equality Implications**

16. There are no direct implications arising from the recommendations in this report. The Fund and LGPS Central incorporates financially material Environmental, Social and Governance (“ESG”) factors into investment processes. This has relevance both before and after the investment decision and is a core part of the Fund’s fiduciary duty.

### **Human Rights Implications**

17. There are no direct implications arising from the recommendations in this report. The Fund and LGPS Central incorporates financially material Environmental, Social and Governance (“ESG”) factors into investment processes. This has relevance both before and after the investment decision and is a core part of the Fund’s fiduciary duty.

### **Appendix**

Appendix A: Terms of Reference Review

#### **Officers to Contact**

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