

## LOCAL PENSIONS COMMITTEE

### TERMS OF REFERENCE

#### 1. Introduction

- 1.1 This document sets out the terms of reference for the Local Pension Committee of Leicestershire County Council, which is the scheme manager of the Leicestershire County Council Local Government Pension Scheme (the Fund), as defined under Section 4 of the Public Service Pensions Act 2013 (and any associated legislation).
- 1.2 The Committee is constituted as a Committee of Leicestershire County Council (the Administering Authority) under Section 101 of the Local Government Act 1972. The key functions and terms of the Committee are therefore as detailed in [Leicestershire County Council's Constitution](#).
- 1.3 These Terms of Reference will also apply to any subcommittee of the Local Pension Committee.

#### 2. Purpose of the Committee

- 2.1 The Committee's purpose is to safeguard and manage the employers' assets held by the Fund, which are for the purpose of ensuring that pensions and lump sum benefits can be paid to Fund members.

#### 3. Responsibility and Role of the Committee

- 3.1 The Committee is to act on behalf of the Administering Authority in its role as a scheme manager of the Fund.
- 3.2 The Administering Authority has delegated responsibility for all decisions relating to the investment of the Fund's assets and administration of the Fund in accordance with Section 101 of the 1972 Superannuation Act (see Part 3 of Leicestershire County Council's Constitution).
- 3.3 In the conduct of the Committee's purpose, its principal duties are to:

##### **Set strategy and statutory policies**

- 3.3.1 Approves the Funding Strategy Statement (FSS), the Investment Strategy Statement (ISS) which includes strategic asset allocation, responsible investment and local investment approach for the Fund.

##### **Oversee pooled investment delivery**

- 3.3.2 To act as the "client" to the Pooling Company (LGPS Central) to ensure investment assets are appropriately transitioned, performance meets objectives for the Fund and pooling requirements under the 2026 Pensions Act are met.

*[Note: LGPS Central Limited is the company owned by 14 partner funds (including the Leicestershire County Council Pension Fund) which is*

*authorised as the operator of the Authorised Contractual Scheme (ACS), to provide investment services to the partner funds, by the Financial Conduct Authority (FCA). The company is therefore subject to the regulator's conduct of business rules and has established its internal governance framework to ensure strict adherence both to its regulatory obligations to the FCA and with the Companies' Acts.*

*The Fund holds dual interest in LGPS Central Ltd as shareholder of the company and as a recipient of its investment services, these are managed separately through the Shareholders Engagement Forum and the Oversight Board]*

### **Ensure robust governance and leadership**

3.3.3 Maintain effective governance arrangements, working with the new LGPS Senior officer role and independent person (once appointed) to ensure policies for governance, training and conflicts are in accordance with for 2026 regulations.

### **Oversee funding, risk and long term sustainability**

3.3.4 To approve actuarial valuations, contribution strategies, and monitors funding risk to ensure the Fund remains sustainable over the long term.

### **Ensure compliance, controls and continuous improvement**

3.3.5 Oversee compliance with LGPS regulations, The Pensions Regulator (TPR) expectations and the 2026 Pensions Act including the mandatory independent governance reviews. To include approval of adequate resources such that the administering authority can effectively manage all aspects of the management of the Fund.

### **Provide accountability and stakeholder stewardship**

3.3.6 Ensures transparency, value for money, and effective stewardship of assets on behalf of members and employers including engagement with strategic authorities where appropriate and broader economic objectives.

### **Delegate functions**

3.3.7 Consider delegations to pension fund officers, the Investment Sub-Committee, and other service areas within the Administering Authority as the Committee may consider appropriate to ensure the smooth administration of the Fund having regard to the Scheme of Delegation to Officers as set out in Part 3 of Leicestershire County Council's Constitution;

### **Work with the Local Pension Board**

3.3.8 Consider Board recommendations and determine any appropriate actions to be taken or provide a reason to the Board for not enacting a recommendation made by them.

3.4 In addition to the duties set out in para 3.3 above, the Committee is subject to a fiduciary duty to act in the best interests of employers and Fund members,

in accordance with the advice provided to the Committee from time to time in light of guidance and the law.

3.5 Approve responses to consultations relevant to the Fund

**4. Duties of all Members (including non-voting representatives) on the Committee**

4.1 Members of the Committee should at all times act in a reasonable manner in the conduct of the Committee's purpose.

4.2 Members who sit on the Committee act as 'quasi-trustees' and must ensure that the Fund is managed in the best interest of all its members, employers and beneficiaries. As quasi-trustees, Committee members have a clear fiduciary duty in the performance of their functions and must ensure that the Fund is managed in accordance with the regulations and do so prudently and impartially, in the best interest of all its members as above.

4.3 Members should ensure that, when making decisions, they are required to put the Fund, the interests of Fund members and employers first, at the exclusion of their own personal and political interests. Members of the Committee must therefore take a non-political approach to the decisions they make.

4.4 Members should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings, including the participation in training as detailed below.

4.5 It is expected that good practice will be followed by Committee members, in so far that appointees will abide by the requirements specified in the Pension Regulator's code of practice and the Pension Act 2004 sections 247 to 249.

Training

4.6 Members (including substitutes) are required to undertake induction training before taking up their role, and to adhere to the policy [Pension Fund and Finance - Leicestershire Member Self-Service \(pensiondetails.co.uk\)](https://pensiondetails.co.uk), and to undertake such other training as the Administering Authority considers appropriate.

Conflicts of interest

4.7 All members of the Committee on appointment will be provided with a copy of the Leicestershire County Council Pension Fund Conflict of Interest Policy and required to complete a Declaration of Interest to the Administering Authority. At any such time as a members circumstances change, any potential conflict of interest arising as a result of their position on the Committee should be declared.

*[Note: A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the*

*Committee. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.]*

## **5. Membership of the Committee**

5.1 The Committee shall comprise of ten voting members, three non-voting members as follows:

### Voting members

- Five County Council members.
- Two District Council members (appointments to be made by the District Councils).
- Two members of Leicester City Council.
- One University representative (appointment to be made by De Montfort and Loughborough Universities).

### Non-Voting members

- Up to three Employee Representatives who must be members of the Fund in either an active, deferred or retired member capacity.

5.2 Any substitution for voting Members appointed to the Pension Committee shall follow their respective Council's procedures, subject to 4.6 above. Substitutions should wherever possible be notified to the Administering Authority by 5pm the day before the meeting.

## **6. Appointment**

6.1 County Council, district council and university representatives will be appointed by the bodies they represent on the Committee.

6.2 Employee representatives will be appointed by Fund Members by way of nominations and a vote taken at the Leicestershire County Council Pension Fund Annual General Meeting, following a transparent recruitment process which is open to all Fund Members. The recruitment process will be approved and managed by the Administering Authority. The positions will be appointed to on a rolling basis so that at least one employee representative position will become available at each of the Fund's Annual General Meeting.

6.3 A reserve employee representative shall be appointed at the Fund's AGM. The reserve representative will act as a substitute at meetings of the Committee where an elected employee representative is unable to attend.

6.4 In the event of a vacancy occurring during the course of the year the reserve employee representative shall serve on the Committee as a full member until the Fund's AGM.

## **7. Terms of Office**

- 7.1 The term of office for County, City, District and University representatives will be one year. They may be reappointed following their relevant appointment processes.
- 7.2 The term of office for employee representatives will be three years, or for such period as is remaining if a position is vacated during a three-year term, to ensure appointments are made on a rolling basis each year, as outlined in 6.2 above. An employee representative may be appointed for further terms of office, following the process set out in paragraph 6.2.
- 7.3 Committee membership may be terminated prior to the end of the term of office due if:
- 7.3.1 An employee representative is no longer a member of the Fund.
  - 7.3.2 A Committee member who no longer has the capacity to attend and prepare for meetings or to participate in required training.
  - 7.3.3 A Committee member representative is withdrawn by their nominating body.
  - 7.3.4 A Committee member is deemed by the Administering Authority's Monitoring Officer to have a conflict of interest which cannot be managed in accordance with the Fund's Conflict of Interest Policy.
  - 7.3.5 A Committee member becomes a member of the Local Pension Board.
  - 7.3.6 A Committee member who is an elected member representative ceases to be an elected member of the local authority they represent.
  - 7.3.7 The university representative ceases to be employed by their appointing university.

7.4 Where a Committee member ceases to be a member of the Committee for any reason their replacement will be determined by the body they represent in accordance with its usual processes.

## **8. Appointment of Chairman and Vice Chairman**

- 8.1 The Administering Authority will administer the process for the appointment of Chairman and Vice Chairman.
- 8.2 The Chairman will be selected from one of the Administering Authority's representatives appointed at its annual Council meeting in May each year.
- 8.3 It will be the first business of the Committee to appoint a Chairman and Vice Chairman to sit for the term of one year following the Administering Authority's annual meeting. The Vice-Chairman will act as Chairman in the absence of the Chairman.
- 8.4 The Chairman and Vice Chairman once appointed by the Committee will automatically be appointed to act as Chairman and Vice Chairman of the Investment Sub-committee as detailed below.
- 8.5 The Chairman of the Local Pension Committee is the Fund's representative on the LGPS Central Oversight Board. The Oversight Board does not have

delegated authority to make binding decisions on behalf of the participating councils.

- 8.6 The Oversight Board provides strategic oversight of LGPS Central and provides collective challenge and scrutiny. It focuses on oversight of performance, governance and delivery of pooling activities, reviewing how effectively LGPS Central Limited is operating and monitoring progress against pooling objectives. The Oversight Board will have a responsibility, on an annual basis, to report back to the individual Authorities' Pension Committees on its areas of work and delivery.

## 9. Meetings

### Number of meetings

- 9.1 Meetings of the Committee will be held at least four times a year.

### Meeting Procedures

- 9.2 The Local Pension Committee is a Committee of the Administering Authority. It will therefore adhere to the Meeting Procedure Rules, as set out in Part 4 of Leicestershire County Council's [Constitution](#), and all matters of due process, so far as they do not conflict with the Committee's delegations, duties and responsibilities provided for in law and the requirements of these Terms of Reference.

### Public Access

- 9.3 The Access to Information Procedure Rules, as set out in Part 4 of Leicestershire County Council's Constitution, will apply except where any particular issue is governed by other specific legislation relevant to pensions. The Committee's meetings will therefore be open to the general public unless an exemption under relevant legislation applies. These rules also apply to any sub-committee of the Pension Committee.

### Quorum

- 9.4 A meeting is only quorate when at least one quarter of the voting members are present, subject to a minimum of 3.
- 9.5 A meeting that is or becomes inquorate may continue, but no decisions may be taken.

### Moving Recommendations and Amendments at meetings

- 9.6 Any recommendation, or amendment to a recommendation, put forward and seconded at a meeting which proposes any action which the Chairman, and/or the Section 151 Officer and/or the Monitoring Officer (or their representatives) of the Administering Authority, considers should not be voted upon without proper professional advice being provided, either by Fund

officers or other appropriate external, independent advisors, will stand adjourned to the following meeting to allow for such advice to be provided. This is to ensure the Committee is fully informed on a proposed course of action before taking a decision as is required in law and ensuring it is able to act in the best interest of Fund scheme members.

#### Reasons for decisions

- 9.7 When casting votes Members must be explicit about the reasons for their decisions, the supporting information and expected impact.

### **10. Officer Support and Advice**

- 10.1 Officers representing the Administering Authority will be expected to produce reports for the Committee and provide advice and clarification during the Committee's meetings to enable the Committee to take informed decisions in line with the law and best practice.

- 10.2 All members of the Committee (including Employee Representatives) and Officers are expected to abide by the Member/Officer Protocol set out in Leicestershire County Council's Constitution.

- 10.3 The Shareholder Representative must be an officer who holds the appropriate delegated authority to exercise the Administering Authority's shareholder decision-making functions in relation to LGPS Central Ltd, in accordance with section 101 of the Local Government Act 1972 and the Council's Constitution / Scheme of Delegation, and LGPS Central Shareholder Agreement,

- 10.4 The Shareholder Representative (or their Deputy where appointed) will be the Fund's representative for the purposes of exercising shareholder rights and taking/communicating decisions on LGPS Central Ltd company matters, including (where required) voting at general meetings, signing shareholder resolutions and completing proxy forms.

- 10.5 The Shareholder Representative (or their Deputy) will report back to the Local Pension Committee as appropriate on shareholder/company matters, including decisions taken.

- 10.6 The Committee will appoint the current Shareholder Representative and any Deputy Shareholder Representative by formal resolution (and in the Committee's minutes), and officers will maintain an up-to-date record of those appointments for operational and audit purposes."

- 10.7 The Shareholder Representative may authorise other officers to perform their designated duties as set out in this paragraph on his or her behalf, in their absence and in the absence of any Deputy Shareholder Representative appointed.

*[Note: The Shareholders Engagement Forum acts as a supervisory body which focuses on shareholder issues. The Forum meets at least twice a year to discuss certain reserved matters as set out in the Shareholders Agreement.*

## 11. Advisers to the Committee

- 11.1 The Committee will be supported in its role and responsibilities by officers from the Administering Authority's Finance, HR, Legal and other teams as needed.
- 11.2 The Section 151 Officer of the Administering Authority acts as the Section 151 Officer for the Fund and has responsibility for appointing a Fund Actuary and other external advisers as they consider necessary from time to time. The Monitoring Officer for the Administering Authority acts as the Monitoring Officer for the Fund. The Fund may, subject to any applicable regulation and legislation from time to time in force, consult with such advisers.
- 11.3 The Administering Authority **must** appoint a suitably qualified Independent Advisor. This will be a remunerated appointment and follow a transparent appointment process.

## 12. Expenses

The Pension Fund may meet reasonable expenses of the Committee. Such expenses will be met by the Fund and have regard to Leicestershire County Council's Members' Allowance Scheme.

## 13. Investment Subcommittee

- 13.1 The County Council has appointed the Investment Subcommittee to assist the Committee to carry out its functions.
- 13.2 Under the guidance of the Local Pension Committee, the Subcommittee has responsibility for monitoring the performance of the Fund, including oversight of LGPS Central, such as during the transition of assets in line with Fit for the Future. (These responsibilities are also exercised by the Committee.) The Investment Subcommittee duties will evolve as pooling develops post 1 April 2026. The Subcommittee is intended to supplement the broader Local Pension Committee responsibilities.
- 13.3 The full list of the Subcommittee's functions is set out in Part 3 of Leicestershire County Council's [Constitution](#).
- 13.4 The Investment Subcommittee will consist of six voting members and one non-voting member, all of whom will be members of the Local Pension Committee. This will include:
- 3 County Councillors as follows:
    - the Chairman (who will act as Chairman of the Subcommittee);
    - the Vice-Chairman (who will act as Vice Chairman of the Subcommittee);
    - one other Committee member to reflect the political balance of the County Council so far as is reasonably practicable. (*Note: this*

may vary depending on the political group of the Chairman and Vice Chairman);

- 1 member representing Leicester City Council;
- 1 member representing the district councils;
- The member representing De Montfort/Loughborough Universities; and
- 1 scheme member representative (non-voting).

#### **14. Annual Meeting of Members of the Pension Fund**

- 14.1 An Annual Meeting of all beneficiaries of the Pension Fund is held each year. For administrative purposes only, the Chairman of the Local Pension Committee will chair this meeting. Members of the Committee will be notified of the meeting and may attend as an observer (unless they are entitled to attend as a Fund member).

*[Note: The purpose of this meeting is to enable Fund members to consider the contents of the Pension Fund Annual Report, to receive a report by the Employee Representatives of both the Committee and Local Pension Board and to elect Employee Representatives for the Committee and Board for the following 12 months. Details of the meeting will be published on the Pension Fund website.]*

#### **15. Local Pension Board**

- 15.1 Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 Regulation 106(1) specifies that each Administering Authority shall establish its own Local Pension Board with responsibility for assisting the effective and efficient governance and administration of the LGPS. The key functions of the Local Pension Board are set out in its Terms of Reference [\[link\]](#).

- 15.2 As part of the Local Pension Board's role in assisting the Local Pension Committee, the Board will provide scrutiny, comments, and recommendations to assist in the management of the Fund.

- 15.3 The Chair of the Local Pension Board may attend a Local Pension Committee meeting as an observer.

#### **Approved by Local Pension Committee**

To be presented to the Local Pension Committee 3 July 2026.

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