Leicestershire County Council
PENSION
FUND

# LOCAL PENSION BOARD ANNUAL REPORT

## YEAR ENDED 31 MARCH 2026

## Foreword by the Chair of the Local Pension Board

On behalf of the Local Pension Board, I am delighted to be able to present the seventh Annual Report of the Local Pension Board of the Leicestershire County Council Pension Fund. This report covers the period from 1 April 2025 to 31 March 2026, to align with the Fund's Annual Report.

As a defined benefit scheme for our 111,230 members, the Leicestershire Pension Fund pays scheme members a retirement income based on salary and the number of years worked for the employer. The Fund invests contributions made by employers into long term investments, and though the market will always fluctuate, investment performance does not affect members' pensions. As of 31 March 2026, the Fund contained £7.4billion of assets.

Throughout the year we have complemented the Administering Authority, ensuring compliance with the Public Service Pensions Act, the LGPS Advisory Board, the Chartered Institute of Public Finance and Accounting (CIPFA) and The Pensions Regulator.

The Board has, over the course of the year, received regular updates on the implementation of the McCloud Remedy, which came into force on 1 October 2023 and continues to be the biggest pension administration challenge.

The Board has no concerns about the Leicestershire County Council Pension Fund or its Administration, though it will continue to monitor the welfare of the pension officers in administering the McCloud remedy, and any future legislative requirements on the Fund. We will continue to support the Pensions Manager, and we are confident he will continue to administer the Fund efficiently and effectively despite ongoing pressures.

To keep the Annual Report succinct, it is difficult to reflect the variety of issues we have considered during another busy year, though a summary is provided. Further information about the Board's work can be found on the website. Despite the continual challenges, I am looking forward to another successful year ahead.

I would like to place on record the Board's appreciation for the support and transparent advice of the officers.

**Mr. Manjit Singh Saroya**

Chairman of the Local Pension Board Approved: 29 July 2026

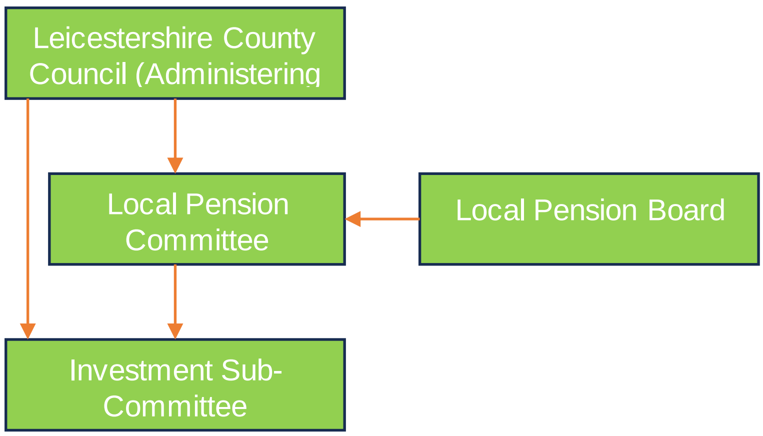
## What is the Local Pension Board

The Board was established in accordance with the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 to assist the Administering Authority in:

- securing compliance with the Regulations, other legislation relating to the governance and administration of the LGPS, and the requirements imposed by the Pension Regulator in relation to the LGPS; and
- ensuring the effective and efficient governance and administration of the LGPS.

While the Local Pension Board was established by the County Council, it does not sit within the typical arrangements that apply to local authority committees, including those that apply to the Local Pension Committee. Instead, the Board operates outside of the usual local authority committee structure and serves an advisory and compliance role for the Fund as set out within its Terms of Reference. The Board cannot be delegated to carry out the functions and responsibilities that legally pertain to the administering authority. However, it does perform activities which support the Local Pension Committee, and it can escalate issues with the Committee and the Pensions Regulator where it expresses concern.

The structure of the Fund is set out below.




The Local Pension Board is comprised of:

- Three employee representatives and
- Three employer representatives.

The current Members of the Board as at 29 July 2026 are as detailed below:

| Employer Representatives | Employee Representatives |
|---|---|
| **Mr. Andrew Innes CC**<br>*Leicestershire County Councillor* | **Mr. Manjit Singh Saroya – Chairman** |
| **Ms. Helen Butler CC**<br>*Leicestershire County Councillor* | **Mr. Anthony Cross** |
| **Cllr. Elly Cutkelvin**<br>*Leicester City Councillor* | **Mr. Andrew Stewart** |

Details of how the Members of the Local Pensions Board are appointed can be found in its [Terms of Reference.]

## Member Attendance

The Board has met on four occasions during the year and attendance has been positive with employer and employee representatives freely giving their time and commitment as shown in the table below.

| 2025/26 | REPRESENTING | JUNE | SEPTEMBR | OCTOBER | FEBRUARY | % |
|---|---|---|---|---|---|---|
| **MR. J. BOAM CC (TO AUGUST 2025)** | Administering Authority | X | \ | \ | \ | 0% |
| **MR. P. MORRIS CC (TO NOVEMBER 2025)** | Administering Authority | ✓ | ✓ | ✓ | \ | 100% |
| **DR. J. BLOXHAM CC (TO SEPTEMBER 2025)** | Administering Authority | \ | ✓ | ✓ | \ | 25% |
| **MR. K. CROOK CC (FROM SEPTEMBER 2025)** | Administering Authority | \ | \ | \ | ✓ | 50% |
| **MISS. H. BUTLER (FROM NOVEMBER 2025** | Administering Authority | \ | \ | \ | ✓ | 100% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **CLLR. E. CUTKELVIN (FROM NOVEMBER 2023)** | Employer Representative, Leicester City Council | ✓ | In attendance | ✓ | x | 75% |
| **MR. M. SINGH SAROYA (FROM 2021 AGM)** | Employee Representative | X | ✓ | ✓ | ✓ | 75% |
| **MS. R. GILBERT (TO DECEMBER 2025 AGM)** | Employee Representative | ✓ | ✓ | ✓ | \ | 100% |
| **MR. A. CROSS (FROM DECEMBER 2023 AGM)** | Employee Representative | ✓ | ✓ | ✓ | ✓ | 100% |
| **MR. A. STEWART (FROM DECEMBER 2025 AGM)** | Employee Representative | Sub for Mr. Saroya | \ | In attendance | ✓ | 100% |
| **MR. M. SQUIRES – SUBSTITUTE EMPLOYER** | | Sub for Mr. Boam | \ | Sub. for Mr. Crook | \ | 100% |
| **MR. RITESH CHAUHAN – RESERVE EMPLOYEE (FROM DECEMBER 2025 AGM TO FEBRUARY 2026** | | \ | \ | \ | x | 0% |

## Highlights

Full details of the Board’s work can be found on the Council’s website. A summary is provided below.

### Pension Fund Administration

The Board received quarterly administration reports covering benefits, performance, complaints, breaches, employer monitoring and major projects. It monitored service performance and noted that most administration targets were met despite regulatory and project pressures. It also reviewed employer admissions, contribution monitoring, data quality, website redevelopment and year-end statutory preparations.

### 2025 Actuarial Valuation and Funding Strategy Statement

The Board scrutinised the 2025 actuarial valuation assumptions, employer risks and draft Funding Strategy Statement. It noted the improved funding position, from 105% in 2022 to 140% as at 31 March 2025, and monitored implementation of employer contribution rates from April 2026. The Board fed comments to the Local Pension Committee on the 3% cap of employer secondary rates.

**McCloud Remedy**

The Board received regular updates on the McCloud Remedy, a major LGPS administration challenge. It noted completion of active and deferred member record updates for Annual Benefit Statements and monitored remaining retrospective work for pensioners and historic cases.

The Board supported measures to manage officer workload while maintaining service delivery.

**Pensions Dashboards Programme**

The Board oversaw preparations for connection to the national Pensions Dashboards Programme. Members monitored data improvement, address tracing, AVC matching, dashboard connection and national testing milestones. It supported improved data quality to reduce matching failures and support compliance.

**Digital Transformation and Member Engagement**

The Board monitored development of the new pension website and Member Self-Service platform. It welcomed the January 2026 launch, including electronic identity verification and multi-factor authentication.

**Risk Management and Internal Controls**

The Board reviewed the Pension Fund Risk Register, internal controls and audit updates during the year, maintaining oversight of governance, administration, employer, regulatory and operational risks. Particular focus was given to data quality, employer compliance, regulatory changes, resource pressures and major projects including McCloud and Pensions Dashboards. Internal audit activity continued to provide substantial assurance on key Fund processes and controls.

**Pension Fund Policy and Governance**

The Board considered governance and policy matters including the 2026/27 Business Plan, Budget and Training Plan, governance arrangements, audit plans, data improvement, climate-related disclosures and draft Investment and Funding Strategy Statements. It continued to support effective governance and regulatory compliance.

**LGPS Developments and Government Consultations**

The Board monitored national LGPS developments and the Government’s reform agenda. Members considered the ‘Fit for the Future’, ‘Access and Fairness’ and ‘Access and Protections’ consultations and their implications for administration, governance and service delivery.

It noted proposals on survivor benefits, gender pension gap reporting, Fair Deal, councillor access and wider pension reforms.

**LGPS Central and Investment Pooling**

The Board received an LGPS Central update on pooling developments and Government expectations for greater asset and service pooling. Members noted that administering authorities would retain strategic investment responsibility while benefitting from enhanced pooling and economies of scale.

**Additional Voluntary Contributions**

The Board considered the AVC provider review and welcomed Prudential's retention, reduced charges, improved communications and additional investment options.

**Looking Ahead to 2026/27**

The Board will continue oversight of Fund administration, governance, compliance and risk management. Priorities include reviewing McCloud work, pooling arrangements, implementing consultation changes, monitoring dashboards, delivering valuation outcomes, onboarding employers, improving data quality and supporting officers.

It remains committed to supporting effective and efficient governance and administration of the Fund.

## Issues of Concern

The Board has a responsibility to report any matter that appears to be materially significant. There were no significant issues of concern.

There was one item referred by the Board to the Committee following comments raised by the Board on consultation of the triennial valuation, and whether the 3% cap rate remained appropriate. Members requested further information from Fund officers and the Fund Actuary in relation to the retention of the 3% cap on employer secondary rates. As a result, more information was reported to Board Members alongside the Local Pension Committee in March 2026 for their consideration.

## Training

We considered a revised Training Policy and training plan for 2025, the requirements for which are set out in the Terms of Reference for the Board, and applies to all members of the Local Pension Committee, Local Pension Board and senior officers involved in the management and administration of the Fund. 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.

The 2013 Public Service Pension Act requires that members of Local Pension Boards to have the appropriate level of knowledge and understanding to enable them to properly exercise their functions. Board Members must therefore be conversant with the LGPS regulations, relevant scheme administration policies, and the law relating to pensions.

The Fund supports members in meeting those requirements through its training policy, annual self-assessments, individual training plans and access to relevant internal and external training, including Hymans Robertson's Aspire online learning modules.

Given there have been several recent changes both within the LGPS, and externally in the broader pension's environment, all Local Pension Board Members are expected to complete training provided by the Fund's independent advisor, Hymans Robertson - Aspire Website online module training, as well as other external training as provided by the Scheme Advisory Board, Local Government Association, and LGPS Central.

The Fund has historically reported training undertaken as best practice and was ahead of the Government's proposal that each administering authority should report regularly on training undertaken and are compliant with the General Code of Practice requirements. The attendance log for training undertaken outside of Board Meetings is as follows:

| **2025 – 2026** | | **Joint Training – overview of fund governance, fiduciary duty, conflicts of interest, Nolan principles – June 2025** | **Hymans – 25 June 2025** | **Joint Training – Fund Valuation FSS, ISS, Annual report risk monitoring and accounting requirements September 2025** | **LGPS Advisory Board Annual Assembly – October 2025** | **Joint Training – Hymans Modules – November 2025** | **LGPS Online Responsible Investment Summit November 2025** | **LGA Fundamentals Training Online** |
|---|---|---|---|---|---|---|---|---|
| **Mr. J. Boam CC (to august 2025)** | Administering Authority | x | x | \ | \ | \ | \ | \ |
| **Mr. P. Morris CC (to November 2025)** | Administering Authority | ✓ | ✓ | x | \ | \ | \ | \ |
| **Dr. J. Bloxham CC (to** | Administering Authority | \ | \ | ✓ | \ | x | \ | \ |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **September 2025)** | | | | | | | | |
| **Mr. K. Crook CC (from September 2025)** | Administering Authority | ✓ | \ | X | \ | ✓ | \ | \ |
| **Miss. H. Butler (from November 2025** | Administering Authority | \ | \ | \ | \ | ✓ | \ | \ |
| **Cllr. E. Cutkelvin (from November 2023)** | Employer Representative, Leicester City Council | x | x | x | \ | ✓ | \ | \ |
| **Mr. M. Singh Saroya (from 2021 AGM)** | Employee Representative | ✓ | ✓ | ✓ | ✓ | ✓ | \ | \ |
| **Ms. R. Gilbert (to December 2025 AGM)** | Employee Representative | ✓ | ✓ | x | \ | x | \ | \ |
| **Mr. A. Cross (from December 2023 AGM)** | Employee Representative | ✓ | ✓ | x | \ | x | \ | \ |
| **Mr. A. Stewart (from December 2025 AGM)** | Employee Representative | \ | ✓ | \ | \ | x | \ | \ |

### Hymans Aspire Learning Training

The Fund introduced the Hymans Aspire Learning Academy during November 2021, which was updated in June 2023. This was designed to support the training needs of the Pension Committee and Board members, and Fund Officers, and it supplements the Fund's own training plan. It consists of a series of video presentations with supplemental learning material and quizzes. Completion by Committee and Board Members of these training modules from April 2025 to March 2026 is set out below. Members also complete current issues modules when published, which are updated regularly, for example, issues around the McCloud remedy implementation.

| 2025-2026 | 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 |
|---|---|---|---|---|---|---|---|---|
| **Mr. J. Boam CC (to august 2025)** | \ | \ | \ | \ | \ | \ | \ | \ |
| **Mr. P. Morris CC (to November 2025)** | \ | \ | \ | \ | \ | \ | \ | \ |
| **Dr. J. Bloxham CC (to September 2025)** | C | C | C | C | C | C | C | C |
| **Mr. K. Crook CC (from September 2025)** | C | C | C | C | C | C | C | C |
| **Miss. H. Butler (from November 2025** | C | C | P | X | X | X | X | X |
| **Cllr. E. Cutkelvin (from November 2023)** | C | E | C | E | C | E | E | C |
| **Mr. M. Singh Saroya (from 2021 AGM)** | C | C | C | C | C | C | C | C |
| **Ms. R. Gilbert (to December 2025 AGM)** | C | C | C | C | C | E | E | C |
| **Mr. A. Cross (from December 2023 AGM)** | C | C | C | C | C | C | E | C |
| **Mr. A. Stewart (from December 2025 AGM)** | C | C | C | C | C | C | C | C |

E – Enrolled C – Completed P – Partial Complete