

**Pension Fund Committee**  
Meeting to be held on 15 July 2011

Electoral Division affected: All
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**Revised Statement of Investment Principles**  
(Appendix 'A' refers)

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**Executive Summary**

The regulations governing the operation of the Fund require that the Statement of Investment Principles must be reviewed and if necessary, revised, in case of any material change to the Principles within 6 months from the date of change. The revised Investment Strategy and Governance arrangements approved by the Pension Fund Committee at its meetings in December, January and April constitute a material change.

An updated Statement of Investment Principles is attached at Appendix 'A'.

**Recommendation**

The Committee is asked to approve the revised Statement of Investment Principles set out at Appendix 'A'.

**Background and Advice**

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 Statutory Instrument 2009/3093 came into force from 1 January 2010.

These regulations state that the Statement of Investment Principles must be reviewed and revised to incorporate any material changes to the Pension Funds policy on:

- (a) the types of investment to be held;
- (b) the balance between different types of investments;
- (c) risk, including the ways in which risks are to be measured and managed;
- (d) the expected return on investments;
- (e) the realisation of investments;
- (f) the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments;

- (g) the exercise of the rights (including voting rights) attaching to investments, if the authority has any such policy; and
- (h) Stock lending.

The Statement of Investment Principles attached at Appendix 'A' reflects the material changes made to the Fund's Investment Strategy and Governance arrangement approved by the committee at its meetings in December 2010, January and April 2011 and subsequently by the Full Council on 26 May 2011.

### **Consultations**

The Fund's Independent Advisers.

### **Implications:**

This item has the following implications, as indicated:

#### **Risk management**

No significant risks have been identified.

#### **Legal**

Failure to approve the revised Statement of Investment Principles would result in the non-compliance with statutory regulations.

### **Local Government (Access to Information) Act 1985 List of Background Papers**

Paper	Date	Contact/Directorate/Tel
SI 2009/3093	1 December 2009	Mike Jensen/Resources/34742
CLG guidance on SI 2009/3093	1 December 2009	Mike Jensen/Resources/34742
CIPFA guidance on the application of Myners Principles	December 2009	Mike Jensen/Resources/34742

Reason for inclusion in Part II, if appropriate

N/A