

Pension Fund Committee

Meeting to be held on 15 September 2016

Electoral Division affected: (All Divisions);
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Statement of Investment Principles

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

Funds within the local government scheme are required by regulation to produce and keep updated a Statement of Investment Principles (SIP). The regulation states that when there has been a material change to the fund the SIP should be updated to reflect the change. Given the changes to the governance and investment arrangements of the fund as a result of the creation of the Local Pensions Partnership it is appropriate to update the SIP. The document at Appendix 'A' sets out the revised statement for approval.

Recommendation

The Committee is recommended to approve the updated Statement of Investment Principles as set out at Appendix 'A'.

Background and Advice

Funds within the local government scheme are required by regulation to produce and keep updated a Statement of Investment Principles (SIP). The regulation states that when there has been a material change to the fund the SIP should be updated to reflect the change.

The revised Statement at Appendix 'A' has been updated to reflect:

- The changes made to the Governance Policy statement as approved by the Committee at its meeting on 10 June 2016.
- The change to investment management with the implementation of the partnership and that selection and appointment of managers is delegated to the Local Pensions Partnership
- The strategic asset allocations as approved by the Investment Panel.

The rest of the document remains unchanged.

The Committee should be aware that once the revised Pension Regulations are finalised and enacted, the SIP will be replaced by an Investment Strategy Statement (ISS). The Committee will therefore be asked to approve the ISS in 2017 which will reflect the regulatory changes and also any changes to be made to the Investment Strategy as a result of the current actuarial review.

Consultations

Local Pensions Partnership.

Implications:

This item has the following implications, as indicated:

Risk management

A clear and transparent set of constitutional arrangements is part of an effective risk management approach.

Legal

The regular review of the SIP and updating it to reflect changes in the governance of the fund ensures compliance with the relevant regulations.

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

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A