

Report for: Pensions Committee 9th February 2017

Item number: 13

Title: Revised (Draft) Statement of Investment Principles

Report authorised by: Tracie Evans, Chief Operating Officer (COO)

Lead Officer: Oladapo Shonola, Head of Finance - Treasury & Pensions
oladapo.shonola@haringey.gov.uk 02084893726

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

- 1.1. To consider a revised draft of the Statement of Investment Principles prepared to take account of agreed changes made by the Committee at previous meetings. The revised draft of the SIP complies with the Local Government Pensions Scheme (Management and Investment of Funds) Regulation 2009.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. That the Committee approve the revised Statement of Investment Principles attached in Appendix 1 of this report.

4. Reason for Decision

- 4.1. The Committee in its past meetings have made some changes to strategic allocation to different asset class within the overall Fund portfolio which has altered the balance between different types of investments in the Fund.
- 4.2. The Local Government Pension Scheme (Management and Investment of Funds) Regulation 2009 requires that the Fund publishes any material changes to its Statement of Investment Principles (SIP) including any changes to the balance between different types of investments.

5. Other options considered

5.1. None.

6. Background information

6.1. The Local Government Pension Scheme (Management and Investment of Funds) Regulation 2009 came into effect on 1st January 2010. One of the requirements of the Regulation is that pension funds must prepare, maintain and publish a statement of the principles governing its decisions about the investment of fund money.

6.2. The Fund specifically requires that the statement of investment principles must be reviewed and revised by the Council as administering authority where a material changes such as changes to the types of investment held or the balance between the types of investments in the Fund.

6.3. The Pensions Committee has made a number of changes to the balance of the balance of investment types in the Fund since the SIP was last approved. These include the agreement to award new mandates which have also caused a shift in the balance of investments overall. Therefore, there is a need to revise and approve the SIP.

7. Contribution to Strategic Outcomes

7.1. None.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. The Statement of Investment Principles details the decision by Committee on how the Funds resources will be invested. The Strategy set out in the SIP has been prepared to maximise returns of Fund's assets within acceptable risk parameters and also to facilitate a reduction in the burden of deficit funding that employers in the Fund are liable for.

8.2. The performance of the Fund's strategy is monitored through a quarterly report that is presented to Committee. Recent performances have been good and generally either in line with or exceeded target.

Legal

- 8.3. Under Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulation 2009 the administering authority published a written statement of the principles governing its decisions about the investment of fund money.
- 8.4. The statement must be reviewed, and if necessary, revised, by the administering authority from time to time and published once revised.
- 8.5. Members should not that Regulation 12 will no longer be effective when the authority first publishes its investment strategy statement under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulation 2016.

Equalities

- 8.6. There are no equalities issues arising from this report.

9. Use of Appendices

- 9.1. Revised (Draft) Statement of Investment Principles.

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.