

Report for: Pensions Committee and Board 14 September 2017
Item number: 9

Title: Updated Investment Strategy Statement

Report authorised by: Clive Heaphy, CFO and S151 Officer

Lead Officer: Thomas Skeen, Head of Pensions
thomas.skeen@haringey.gov.uk 020 8489 1341

Ward(s) affected: N/A

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

1. Describe the issue under consideration

- 1.1. The Investment Strategy Statement (ISS) is a statutory document for LGPS funds, as required by Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. There have been two changes to the Fund's investment strategy since the last ISS was approved in March 2017, this report brings back an updated copy of the ISS incorporating these changes.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. That the Committee notes and approved the updated Investment Strategy Statement attached as Appendix 1 of this report.

4. Reason for Decision

- 4.1. In accordance with Regulation 7(6) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, each LGPS Fund must publish an Investment Strategy Statement by 1 April 2017. The Fund complied with this requirement.
- 4.2. The Fund has made two alterations to its investment strategy since the original ISS was approved in March 2017, these two alterations are incorporated into the updated version of the ISS, and are highlighted in the appended document for ease of reference.

5. Other options considered

5.1. None.

6. Background information

- 6.1. Under the new Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, the Statement of Investment Principles was been replaced by the Investment Strategy Statement (ISS).
- 6.2. The ISS must be reviewed and revised by the Council as administering authority when any material changes take place such as changes to the types of investment held or the balance between the types of investments in the Fund.
- 6.3. In March 2017 the Committee agreed to decrease the Fund's allocation to infrastructure debt to 3.0%, this has previously been 5.0%. The allocation to multi asset credit was increased from 5.0% to 7.0%.
- 6.4. In July 2017 the Committee agreed to an alteration to the Fund's passively invested equity portfolio: increasing the allocation to a low carbon strategy to 50.0% of developed market equities.
- 6.5. The updated ISS incorporates these two changes, to ensure that the ISS remains current.

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 Investment Strategy Statement details the decision by Committee on how the Fund's resources will be invested. The Strategy set 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. The investment strategy must include those matters set out in Regulation 7(2) the Local Government Pension Scheme (Management and Investment of Funds) Regulation 2016. Under Regulation 7(7) the administering authority. The authority must review and if necessary revise its investment strategy from time to time, and at least every 3 years, and publish a statement of any revisions

Equalities

There are no equalities issues arising from this report.

9. Use of Appendices

- 9.1. Appendix 1 – Updated Investment Strategy Statement

10. Local Government (Access to Information) Act 1985

Not applicable.