

REPORT FOR: Pension Fund Committee

Date of Meeting: 25th June 2013

Subject: Review of the Statement of Investment Principles

Responsible Officer: Simon George, Director of Finance and Assurance

Exempt: No

Enclosures: Statement of Investment Principles.

Section 1 – Summary and Recommendations

A revised Statement of Investment Principles (“SIP”) is presented here to approval following changes in the Investment Strategy agreed in March 2013.

RECOMMENDATIONS:

The Committee is asked to approve the updated Statement of Investment Principles.

Section 2 – Report

1. A Statement of Investment Principles (“SIP”) is required by the Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2009 (“The Regulations”) and outlines the principles and policies followed by the Committee in the management of the Fund’s investments.
2. A revised SIP is necessary following a change in the Investment Strategy at the Pension Fund Committee meeting on 6th March 2013: The changes made have been restricted to those required to reflect the revised strategy and the new Committee title are highlighted below:
 - Paragraph 1.3, has been amended to replace ‘Investment Panel’ with ‘Committee’ in four instances.
 - Paragraph 3.1 has been amended to include: “Pension Fund Committee meeting on 6th March 2013, at which it was decided to invest 10% of the Fund in two multi-asset mandates amounting to £27 million in each of Barings and Standard Life. This was funded by a reduction in equities together with the use of cash.” In addition the asset allocation table has been updated to reflect the new investments.
 - Paragraph 3.4 has been amended to read: “Cash balances are held in Pension Fund bank accounts”
 - Paragraph 6.3 has been amended from “80%” to “70%”
 - Paragraph 6.5 has been amended to include “The Council monitors liabilities using quarterly funding estimates from the Actuary together with a...”
3. These amendments are incorporated into the attached SIP, which the Committee is invited to approve. The revised SIP will be sent to all fund employers and investment managers and a copy will be available to scheme members via the Council’s web site
4. The SIP complies with relevant regulations and it is recommended that it is reviewed annually to ensure that it continues to reflect the Committees investment strategy.

Financial Implications

5. The SIP addresses the high level risk and return objectives of the Fund.

Risk Management Implications

6. Risk included on Directorate risk register? No
7. Separate risk register in place? No

8. Setting risk tolerances and measuring outcomes are central to the management of contribution volatility.

Equalities implications

9. Was an Equality Impact Assessment carried out? Yes

10. There are no direct equalities implications relating to the pension fund.

Corporate Priorities

11. Corporate Priorities are not applicable to the Pension Fund as it does not have a direct impact on Council's resources.

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 10 June 2013		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 10 June 2013		

Section 4 - Contact Details and Background Papers

Contact: George Bruce (Treasury and Pension Fund Manager) Tel: 020-8424-1170 / Email: george.bruce@harrow.gov.uk

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	N/A
2.	Corporate Priorities	N/A