

REPORT FOR: Pension Board

Date of Meeting: 2 November 2015

Subject: Statement of Investment Principles

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards Affected: All

Enclosures: Statement of Investment Principles

Section 1 – Summary and Recommendation

Summary

This report sets out the Pension Fund's current Statement of Investment Principles and invites comment from the Board to assist the Pension Fund Committee when they consider the Statement at their meeting on 25 November 2015.

Recommendation

That the Board considers the current Statement of Investment Principles and agrees comments to assist the Pension Fund Committee when they consider the Statement at their meeting on 25 November 2015.

Section 2 – Report

Background

1. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 state as follows:

Statement of investment principles

12.—(1) An administering authority must, after consultation with such persons as it considers appropriate, prepare, maintain (in accordance with paragraph (5)) and publish a written statement of the principles governing its decisions about the investment of fund money.

(2) The statement must cover its 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.*

(3) The statement must also state the extent to which the administering authority complies with guidance given by the Secretary of State, and, to the extent the authority does not so comply, the reasons for not complying.

(4) The first such statement must be published no later than 1st July 2010.

(5) The statement must be reviewed, and if necessary, revised, by the administering authority from time to time and, in the case of any material change in the authority's policy on the matters referred to in paragraphs (2) and (3), before the end of a period of six months beginning with the date of that change.

(6) A statement revised under paragraph (5) must be published.

2. Attached is the current version of the Harrow Statement which was reviewed by the Pension Fund Committee on 23 September 2014 and 26 November 2014 and will be considered further at their meeting on 25 November 2015.
3. The Pension Fund Committee will review the whole document but, in particular, are expected to consider the statutory paragraph 10.1 which describes the policy on “social, environmental or ethical considerations.”
4. The Board are invited to consider the current Statement and, if they wish, agree comments to be passed onto the Pension Fund Committee.

Financial implications

5. There are no specific financial implications arising from this report

Risk Management implications

6. Whilst the Statement of Investment Principles deals with the way risks to the Pension Fund are measured and managed there are no specific risk management implications arising from this report

Equalities implications

7. There are no specific equalities implications arising from this report

Council Priorities

8. There is no direct impact on the Council Priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 21 October 2015		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 16 October 2015		

Ward Councillors notified:

Not applicable

Section 4 - Contact Details

Contact: Ian Talbot, Treasury and Pension Fund Manager
0208 424 1450

Background Papers - None